

YEMEN
HOW
CHANGE
HELPS
AL-QAEDA

Who's afraid
of reforming
Wall Street?
BY JOE KLEIN

WHAT'S THE
DEAL WITH
STARBUCKS'
NEW LOGO?

PAGE 62

TIME

Yes, America Is in Decline

By Fareed Zakaria



By David Von Drehle

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Photograph by Ryan McVay—Getty Images



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Photograph by Yuri Kozyrev—Noor for TIME

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Mike Tyson



EDITOR'S DESK

The Gift of Insecurity



One of the things that make America great is that we are eternally questioning our own greatness. Insecurity is the flip side of confidence—and our habitual self-doubt wards off too much complacency. If there's a theme that unites **Fareed Zakaria**'s piece on American decline, **David Von Drehle**'s ode to American resilience and **Joe Klein**'s column on the need for economic reform, it's the idea that hard choices are at the root of exceptionalism. We've certainly made them in the past, but from the financial sector to the national debt to education to entitlements, we're avoiding them today. The GOP's cuts in non-defense discretionary spending—which makes up a measly 17% of the budget—do not get anywhere near the real problem, which is Medicare, Medicaid and the defense budget. What's more, it's not either/or—that is, cuts or raising revenue; it's both. With a debt this large, it's not about ideology but mathematics. And while we're cutting in some places, if we're not also investing in education, technology and research, we guarantee an end to American exceptionalism. And no one wants that.

This week also marks the debut of a regular column on politics by **Mike Murphy**, a longtime Republican consultant. I've covered presidential politics for many years, and I've always thought Mike was among the sharpest, most insightful (and funniest) politicos out on the trail. My prejudice is that practitioners know how things really work in a way that folks outside the room never do. If you want to know what I'm talking about, read his first column, on what's actually at stake in Wisconsin.

Rick

Richard Stengel, MANAGING EDITOR

THE CONVERSATION

"**Gaddafi's Next Move**," intelligence columnist Robert Baer's piece on the embattled despot's alleged vows to create chaos, drew plenty of chatter in the media and among readers, who liked it 6,000-plus times on Facebook and made it TIME.com's best-read story. High on the list of readers' concerns: Baer's reporting on Gaddafi's possible sabotaging of oil production. ("Why not send drones to take him out?" asked one. "You must be affiliated with the CIA," another replied.) Among the five most visited spots on TIME.com was **Global Spin**, TIME's new international-affairs blog. Readers also buzzed about a NewsFeed item on **Dr Pepper's new masculine pop**. "Big deal," tweeted one of many irked female readers. "We don't want their soda anyway."

MAIL

Pain Relief



Thank you so much for "Healing the Hurt" and "Living with Pain" [March 7]. Those of us who suffer chronic pain are often met with skepticism and prejudice. It is refreshing to see an article in which doctors admit they aren't yet very good at treating chronic pain. A recent Canadian study showed that the majority of interviewed physicians saw patients with fibromyalgia as "malingering." Recognition of chronic pain as a real problem is a first step toward trying to solve it.

Sharon Davis, FREMONT, CALIF.

As a retired physician and a person living with chronic intractable pain, I can wholeheartedly say that you covered every base—saw one. Not one mention of the American Pain Foundation? We are the first and largest organization of its kind in the world.

Patrick McGahen, MILFORD, CONN.

Many doctors who treat chronic-pain patients are so worried about addiction that they undermedicate. If the physician

The Science of Women and Cats



2045: The Year Man Becomes Immortal

Sex Addiction: Real Disease or Convenient Excuse?

TIME.com Most Read Stories

Gaddafi's Next Move: Sabotage Oil and Sow Chaos?

Sex Addiction: Real Disease or Convenient Excuse?

Global Spin: Could the Arab Spring Have Removed Saddam?

Specials: The 25 Best Movie Sound Tracks

No Girls Allowed: Dr Pepper Launches 'Manly' Diet Soda

Among Libya's Prisoners: Interviews with Mercenaries

Your Incredible Shrinking Paycheck



prescribed enough pain medication, the stress of running out early, rationing and looking for alternative sources, known as pseudoaddiction, would be gone. None of us want to have to take medications, but you do what you have to in order to function. My neurologist has said that undermedicating chronic-pain patients is akin to withholding insulin from a Type 1 diabetic. I thank God every day that my doctor is not only brilliant but also compassionate.

Julia E. Hail, RIDGECREST, CALIF.

Emily Dickinson said something more fundamental about human pain in a few words than what has been written in all the articles on the subject: "Pain has an element of blank/ It cannot recollect/ When it began, or if there was/ A time when it was not."

Hilbert Campbell, CHRISTIANSBURG, VA.

Re your report "Beyond Drugs" [March 7]: The writer reveals his prejudice about the principles of acupuncture when he associates the needling of cure spots along the meridians with "shamanistic rituals." The efficacy of the meridian healing approach yields compelling clinical

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SOUND OFF

'Wisconsin is the epicenter of new Republican antiunion activity. Governor Walker's attacks on union workers reminds one of another infamous politician from Wisconsin, Joseph McCarthy, who tried to strip people of their citizenship.'

Ron Lowe,
Nevada City, Calif., on Joe Klein's
"As Goes Wisconsin ... So Goes
the Nation" [March 7]



evidence. It must be accompanied by the occurrence of *deqi*, a responsive phenomenon of the ailing body that can be induced only by an experienced professional.

Daan Pan, CHINO HILLS, CALIF.

Tragedy's Roots

Re "A Soldier's Tragedy" [March 7]: I came away thinking the writer blames the National Guard for being unable to repair a badly damaged human being. The tragedy is the poor decision made by President Bush, Donald Rumsfeld, Dick Cheney and millions of Americans to send this young boy to war in the first place. It's too bad we can't fix all the broken returning soldiers or even the "collateral damage" overseas, but the problem is not that we can't fix them but that we chose to send them in the first place.

John Arndt, SAN ANSELMO, CALIF.

This calamity is much larger than one soldier. It is devastating for all Americans, and similar tragedies will

happen as long as Washington continues to try to remake Middle Eastern countries in the image of the U.S.

Don Decker, HOLLAND, OHIO

State of the Unions

I was very disappointed to read Joe Klein's analysis of Governor Scott Walker's union bashing in Wisconsin—and I always agree with Joe ["As Goes Wisconsin ... So Goes the Nation," March 7]. I'm sorry, but if there are instances of public-employee unions abusing their "power," they are inconsequential compared with the abuse of power that the tea baggers and their corporate masters (the Koch brothers' being exhibit No. 1) are prepared to inflict on the middle class. If the Koch brothers get their way in Wisconsin, the middle class will not exist, and Democrats will lose one of their strongest allies. I'm a union member in the private sector. At 29 years of service, I was fired by a new batch of bosses.

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FORUM

Alternative Alternatives

Passionate readers let us know what they felt was omitted from "Beyond Drugs," on alternative pain treatments [March 7].

Ever heard of white willow? The aspirin companies sure have. They base their product on this plant.

Bonnie Caruso
Lewis Center, Ohio

You failed to seriously address one of the oldest and most widely practiced treatment modalities, clinical-medical hypnosis.

Tom Pitzer
St. Louis



I am quite disappointed there was no mention of chiropractic care. We treat with no drugs and offer most patients relief from this treatment.

Akiba Green
Huntersville, N.C.

I was surprised to see no mention of medical marijuana, especially as an alternative to highly addictive opioids.

Richard Klimek
Rockville, Md.

I got my job back; the union paid for the attorney who helped me. The bosses, who were getting ready to fire several other people before I won my case, were shown the door. Unions are far from perfect. At times I feel my union leaders are incompetent. But unions are a crucial counterbalance to unbridled capitalism. If they are gutted, violence may be necessary in the future to refight the same battles we thought we'd won.

Bill Barmettler, CHEHALIS, WASH.

Klein says, "Clearly, there needs to be a rebalancing of pension and health care benefits that puts public employees more in line with ... the private sector." Clearly? I think if you were to reverse the order, there would be more clarity. Private-sector pension and health care benefits have eroded, and that calls for improvement, not for the public sector to follow suit.

Loretta Henry,
WILLOW GROVE, PA.

Klein did not go far enough. Unions shook up American industry to provide American labor what it was entitled to. But in the public sector, unions took advantage of government by obtaining benefits for their members beyond what is fair and reasonable, and they have also taken advantage of their members by using their dues largely for political gain.

John Talerico, MIDDLETON, N.J.

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Tim Laman for National Geographic

The state of magazines is sticky, 43 minutes per issue sticky.

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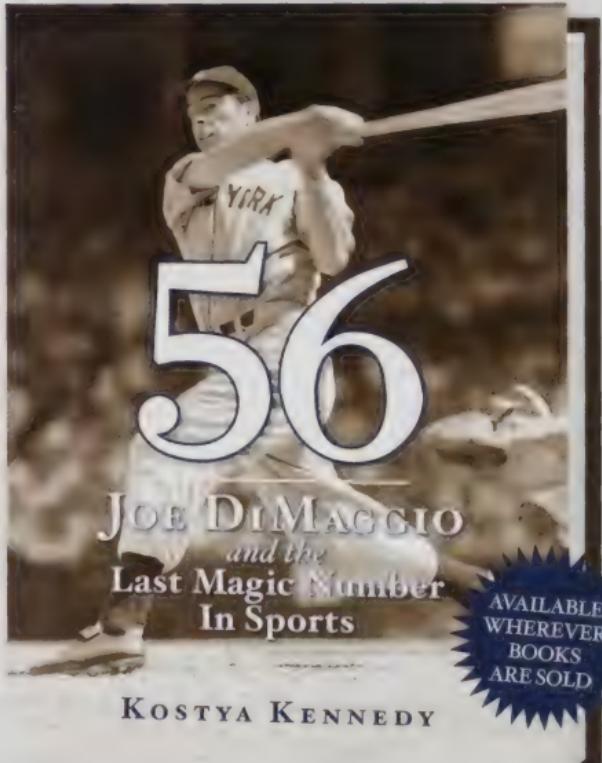
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—LEIGH MONTVILLE



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Briefing

'They love me ... They will die to protect me, my people.'

1. MUAMMAR GADDAFI, embattled Libyan dictator, denying the existence of protests against him

'There may have been abuses, but they were never a part of the policy of my father's administration ... Although there were individual abuses, I cannot see how his administration per se can be liable for that.'

2. FERDINAND MARCOS JR., son of the late Philippine dictator, commenting on the thousands of victims of Marcos' regime and their family members, who began to receive compensation checks

'I have a feeling my career's just peaked.'

3. COLIN FIRTH, star of *The King's Speech*, accepting the Oscar for Best Actor

'If you think about it, his perspective as growing up in Kenya with a Kenyan father and grandfather, their view of the Mau Mau revolution in Kenya is very different than ours.'

4. MIKE HUCKABEE, former Arkansas governor, stating incorrectly in a radio interview that President Obama grew up in Kenya; he later issued a statement saying he "misspoke" and "meant to say Indonesia," where the Hawaii-born Obama spent some childhood years

'I was not trying to hurt the owl. I did it to see if it would fly.'

5. LUIS MORENO, soccer player in Colombia, apologizing after kicking the mascot of a rival team when it flew onto the field in the middle of a match; the owl died, having reportedly gone into shock after it was taken in for treatment



1

Number of canines that households in parts of Shanghai will be restricted to owning under the city's new one-dog policy; those who already have multiple licensed dogs can keep them

\$13,997

Price of a diamond-studded prom dress being sold by DressGoddess; a version of the silver gown sans diamonds sells for \$398



1.33

Weight, in pounds, of Apple's iPad 2, unveiled March 2; it is 15% lighter and 33% thinner than the original

0

Number of eastern cougars remaining; the U.S. Fish and Wildlife Service has declared the animal extinct. Although its existence has long been questioned, the cougar had been listed as endangered since 1973

Closeup



© 27/11

Blessed

THEY'VE BEEN TO HOLLYWOOD, the Great Wall and the Eiffel Tower since their rescue last October. But given the rebirth that Chile's 33 hero miners say they experienced after emerging from their 70-day entrapment underground, it was fitting that Israel invited them to the Holy Land. Some of the men who made the trip dipped themselves in the Dead Sea's mineral-rich mud.

—TIM PADGETT



World



Residents flee an Abidjan suburb hit by factional strife

Power Struggle Pushes Country Toward Civil War

IVORY COAST An interminable political deadlock teetered toward outright civil war as gun battles raged between troops loyal to incumbent President Laurent Gbagbo and supporters of his opponent, Alassane Ouattara. According to the U.N., Ouattara was the winner of the November presidential election. But Gbagbo, who has ruled Ivory Coast for almost a decade, refused to recognize the results, an act that plunged the country into crisis. Businesses in the commercial capital, Abidjan, are shuttered, and the global price of cocoa (of which Ivory Coast is the world's biggest exporter) has risen to a 32-year high. Reports are mounting of gangs of young Gbagbo supporters intimidating foreigners, local journalists and U.N. officials, while Gbagbo's troops and antigovernment militias clashed in Abidjan's environs, leaving dozens dead. Diplomats fear the conflict may escalate. Around 100,000 Ivorians have been displaced by the fighting so far.

World by the Numbers

929
U.S. New area code planned for New York City—its seventh—as the city continues to run out of phone numbers

\$380 million
EQUATORIAL GUINEA Price of a yacht reportedly ordered by the son of the country's dictator; it's almost three times what Guinea spends on education and health

\$3.8 million

QATAR Value of a diamond-studded purse, the world's most expensive, at an exhibition in Doha

2,080 ft.

JAPAN Final height of a transmission tower under construction in Tokyo; it will be the tallest broadcast tower in the world

150 **NEW ZEALAND** Estimated age in years of a time capsule found in the city of Christchurch after it was hit by a devastating 6.3 earthquake

Irish Voters Boot Out The Old Guard, But Its Successors Have Much to Do

IRELAND The Fianna Fail party, which has dominated Irish politics for the better part of a century, suffered a historic defeat at the polls Feb. 25. Its victorious opponents, Fine Gael, in coalition with Labour, swept in atop a wave of public fury at a government that presided over the catastrophic 2008 collapse of Ireland's economy. The country faces a high unemployment rate and crippling national debt.



Fine Gael's Enda Kenny, center, is set to be Ireland's next Premier

Sarkozy Reshuffles His Cabinet. Can the New Ministers Rescue a Government Under Pressure?

FRANCE President Nicolas Sarkozy made new appointments in several key Cabinet positions—his fourth such shake-up in a year. The most significant change: the axing of scandal-tarnished Foreign Minister Michèle Alliot-Marie (below), who had been in her position for only three months. Alliot-Marie's ties to prominent businessmen and political figures in Tunisia sparked controversy when protests gripped the North African nation and eventually unseated the long-ruling dictator Zine el Abidine Ben Ali. Reports that Alliot-Marie privately backed Ben Ali to stay in power, contrary to public opinion in both countries, fueled widespread criticism of the Sarkozy government.





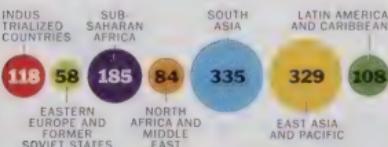
Thousands Struggle To Flee War-Torn Libya

TUNISIA Along the border with Libya, aid groups describe desperate scenes of masses of people trying to escape the violence and chaos that grip Muammar Gaddafi's Libya. Many of those people are impoverished foreign migrant workers. Relief agencies warn of a looming refugee crisis.

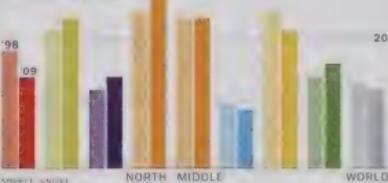
The Kids Are Not All Right

NEW YORK The U.N. agency UNICEF released its annual *State of the World's Children* report, focusing in 2011 on the plight of the world's 1.2 billion adolescents (those ages 10 to 19), 88% of whom live in the developing world. According to the report, almost half of those old enough for secondary school are not able to attend, while tens of millions live without adequate health care and nutrition. UNICEF called for greater aid and investment in education, in part to stave off a looming jobs crisis in poorer countries.

Adolescent population in 2009 by region, in millions



Unemployment rates, color-coded by region



Christian Politician's Murder A Sign of a Growing Assault on Liberals

PAKISTAN Gunmen killed Shahbaz Bhatti, the country's Minister for Minorities and the sole Christian member of Pakistan's Cabinet, on his way to work in Islamabad. The assailants, whose identities remain unclear, allegedly left behind pamphlets decrying Pakistani liberals like Bhatti who criticize the country's archaic antiblasphemy laws. Another outspoken opponent of Islamist orthodoxy, Punjab governor Salmaan Taseer, was assassinated two months ago by his bodyguard. His death was celebrated by Islamists.

Foreign Journalists Beaten During Communist Party Crackdown

CHINA One week after police quashed small protests by dissidents across the country—or what one state-run Chinese newspaper deemed acts of performance art—calls on the Internet for a new round of demonstrations proved unsuccessful. Uniformed and plainclothes officers were deployed in force to likely demonstration sites and kept a tight lid on any sign of dissent. Officers in Beijing beat several journalists from foreign news organizations, including Bloomberg and the BBC, who were trying to cover the potential protests and the Communist Party's response. The anonymous calls for protests, inspired by pro-democracy uprisings in the Arab world, exposed Beijing's jitteriness at being faced with any direct challenge to its authority. Observers could only marvel at the brutal swiftness of the state's response.



Dozens of uniformed police officers patrol a central shopping district in Beijing

Nation



The Big Questions

By Mark Halperin

Is Newt Gingrich a formidable presidential candidate?

The former House Speaker is, ironically, discounted by GOP sharpies inside the Beltway, where he first made his name. Gingrich's complex personal life and chronic tendency to spew controversy have many thinking he can't survive the presidential freak show. And Gingrich often seems to teeter between transcendence and Charlie Sheen-size implosion. But naysayers ignore his fundraising capacity, grass-roots following, laser focus and blistering brainpower.

Why are Republicans wringing their hands about 2012?

The GOP field is both weak and slow-starting. Some on the right are annoyed that attractive candidates such as Chris Christie and Jeb Bush are sitting it out, and they grouse about the dithering of the likely entrants. Barack Obama is a better political athlete than his would-be rivals—Mike Huckabee and Senator John Thune are among those to publicly bemoan the President's strength—and he will enjoy the power of incumbency. Unless some Republican can make a strong case not just against Obama but for him or herself, the Democrats could hold the White House even if unemployment remains high.

Why are Obama and most GOP governors keeping their distance from the Wisconsin labor fight?

Smart politicians follow three rules: don't pick needless fights, don't put political capital on the line in situations you can't control, and don't hitch your wagon to a rookie's caboose. Republican Governor Scott Walker, in office for mere weeks, has bitten off a big chunk. Obama and Walker's fellow governors have enough worries already without getting involved in such an unpalatable, unpopular, unpredictable mess.

morning joe

Catch Mark Halperin's "Driving the Week" segment on *Morning Joe*, 6 to 9 a.m. Mondays on msnbc

The Price of Free Speech

WASHINGTON Preserving a cherished right isn't always pretty. In a victory for First Amendment fundamentalists, the Supreme Court on March 2 upheld a fringe group's right to protest the funeral of a fallen Marine, ruling 8-1 that the Westboro Baptist Church was permitted to hold signs with hateful slogans like "Thank God for Dead Soldiers" near Matthew Snyder's funeral in 2006. The case, *Snyder v. Phelps*, was among the most charged on the Supreme Court docket last year, as Snyder's father sought to recover \$5 million in damages awarded by a lower court but overturned on appeal. In the majority opinion, Chief Justice John Roberts held that signs like "God hates fags" are matters of "public import," related to, in this case, "homosexuality in the military." (Snyder, the deceased Marine, was not gay.) Roberts also noted that Westboro picketed some 1,000 ft. (300 m) from the church. America, Roberts wrote, has long chosen "to protect even hurtful speech on public issues." Even at the price of a father's pain. —SEAN GREGORY



TRANSPORTATION

Florida Fights for High-Speed Rail

Florida's new governor, multimillionaire Rick Scott, is a political novice accustomed to the executive fiat of the corporate world. But Scott, an antigovernment Tea Party conservative, got an introduction to the Legislative and Judicial branches on March 1, when two state senators—a fellow Republican and a Democrat—sued to make him accept the \$2.4 billion in federal high-speed rail funds he rejected last month.

The Florida Supreme Court gave Scott until noon the next day to respond. Scott refused to budge, insisting that potential cost overruns could leave state taxpayers "on the hook" for the \$2.7 billion bullet train project, even though federal, local and private dollars are slated to pick up the tab.

Derailing the Tampa-to-Orlando train is just one fight among many that Scott has already picked with Florida's GOP-controlled legislature as he brings his government-reduction agenda to the statehouse—and tries to keep up with a combative new cast of conservative governors like Wisconsin's Scott Walker. But Florida Republicans and Democrats alike worry that Scott's high-handed style may instead augur a Tallahassee train wreck. —TIM PADGETT





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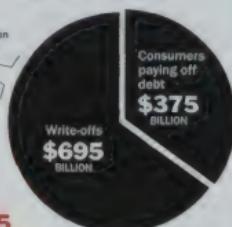
Not So Frugal. Americans aren't paying off debt so much as banks are forgiving it

Recessions are supposed to teach thrift. So when the amount Americans owe on their houses, cars and credit cards, which more than doubled in the years between the tech and housing busts, fell \$550 billion in 2009, commentators said U.S. consumers had reformed. But nearly 2½ years after the financial crisis, we still owe \$6 trillion more than we did a decade ago. Worse, figures released by the Federal Reserve in late February revealed that 65% of the recent drop in consumer debt stems not from our paying overdue bills but from write-offs—banks' foreclosing on homes, canceling credit cards and otherwise giving up on trying to collect what they are owed. And with gas and food prices rising, paying down debt will get even tougher. —STEPHEN GANDEL

HOUSEHOLD DEBT APPEARS TO BE FALLING...



... BUT MUCH OF THAT DROP IS DUE TO WRITE-OFFS



—Warren Buffett, commenting on his plans to make major capital investments in the U.S.

\$1.16 TRILLION

The amount of U.S. debt now held by the Chinese. The figure, which was recently revised upward by the U.S. Treasury Department, shows that worries about China's dumping T-bills have been overblown. The Chinese are, it seems, as bullish as they have ever been on our debt.

POLITICS

Budget Fight

What happens to the U.S. economy if the government shuts down?

Congress signed off on a deal to keep the government funded through mid-March. But what happens next? The debate over raising the debt ceiling could be "nothing more than old-fashioned political theater," says Capital Economics chief U.S. economist Paul Ashworth. Let's hope. A similar spat in 1995 between President Clinton and Republican Speaker of the House Newt Gingrich led to a 26-day shutdown, during which 800,000 federal employees went on unpaid leave. Government spending fell 14.2% in the fourth quarter of that year, shaving a full percentage point off GDP growth. Note to politicians: with the recovery this shaky, that's a loss we can't afford. —RANA FOROOHAR



'Money will always flow toward opportunity, and there is an abundance of that in America. [Our] best days lie ahead.'

1%

Potential drop in annualized GDP growth from a monthlong federal-government shutdown



\$14 TRILLION

Current national debt subject to the debt ceiling



STARVED FOR ATTENTION

195 million stories of malnutrition. Rewrite the story.

Bangladesh © Ron Haviv/VII

Doctors Without Borders/ Médecins Sans Frontières (MSF) and VII Photo present "Starved for Attention," a global multimedia campaign presenting a unique and new perspective of childhood malnutrition.

An estimated 195 million children worldwide suffer from the effects of malnutrition. In fact, this curable condition contributes to at least one-third of the eight million annual deaths of children under five years of age.

Sign the "Starved for Attention" online petition to rewrite the story of malnutrition and demand that the 195 million children get the attention they need and deserve to escape the deadly cycle of malnutrition.

StarvedForAttention.org

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Health & Science



The Merits of Menopause

Hot flashes can be torture, but they may help protect the heart

By Alice Park

FOR MOST WOMEN, THE "CHANGE OF LIFE" IS NOT AN EASY ONE. THE symptoms of menopause—mood swings, hot flashes and night sweats—can be intense, not to mention embarrassing, and in many cases they can interfere with daily life.

But there may be a healthy upside to those hot flashes, according to the latest research. It turns out that women who have these episodes in their 50s or 60s, the typical age range for menopausal symptoms, also have an 11% lower risk of heart disease over the next 10 years, compared with women who don't suffer the same symptoms. And because heart-disease risk increases in women's postmenopausal years as levels of the heart-protective hormone estrogen decline, this risk reduction is potentially lifesaving. Researchers don't know why the symptoms may reduce heart risk, but they theorize that the blood vessel activity that occurs during flushing primes the heart and vessels to combat plaque buildup and hardening of arteries.

The results contradict previous studies, which linked intense menopausal symptoms to heart risk factors such as high cholesterol levels and high blood pressure. Those studies did not specify when women's symptoms were peaking, however, and may have included older women who were actually experiencing not menopausal changes but the symptoms of heart disease. In fact, the current study found that women reporting hot flashes years after menopause were 23% more likely to experience a heart event than women who weathered their most intense symptoms early in menopause.

Does this mean that women who treat their symptoms with hormone therapy might be missing out on potential health benefits? Not quite. Hormone therapy has been linked to an increased risk of breast cancer, so doctors use it sparingly—in the lowest possible doses and for the shortest time—simply to alleviate symptoms. That practice, say the study's authors, shouldn't change.

FERTILITY

Stressed? It Won't Hurt IVF Success

Here's welcome news for women undergoing infertility treatment: contrary to the belief that stress hampers one's chances of becoming pregnant, a new study found that high anxiety had no impact on women's success rates with in vitro fertilization (IVF), at least over a single cycle.

Researchers in the U.K. and Greece say that women who were stressed out while trying to conceive were just as likely to get pregnant through IVF as those reporting less tension. That seems to counter evidence that links stress to negative health effects, but experts point out that reproduction is such a fundamental part of survival that it may be spared the transient effects of emotional distress. In addition, the intensive hormone shots involved in IVF may override the body's natural response to stress.

But that doesn't mean stress doesn't influence pregnancy. It's not known, for example, whether the effects of anxiety increase over several cycles. Tension can also affect how emotionally prepared a woman or couple is to complete the difficult process of IVF. —A.P.



PREVENTION

Can Advil Stave Off Parkinson's?

Adding to a growing body of research, a new study of more than 130,000 healthy adults by the Harvard School of Public Health found that those who took ibuprofen (Advil, Motrin) regularly over six years reduced their risk of developing Parkinson's by 38%, compared with non users. The benefit appears to apply to ibuprofen and not other anti-inflammatory painkillers such as aspirin and acetaminophen (Tylenol), suggesting that new drug targets for Parkinson's may lie in ibuprofen's mode of action. —A.P.

VITAL SIGNS



500

Number of unapproved prescription cold and allergy drugs recalled by the FDA. Many of them were released before 1962, when new FDA regulations for evaluating drug safety and efficacy went into effect.

Milestones



DIED

Jane Russell

Back then they were called bosoms. Jane Russell had some, and Howard Hughes knew how to exploit them. Having cast the 19-year-old as the female lead in his western *The Outlaw*, Hughes designed a seamless brassiere for uplift (Russell says she didn't wear it) and had her filmed leaning forward in low-cut blouses. "I have never seen anything quite so unacceptable as the shot of [her] breasts," said movie censor Joseph Breen, who nixed the film. So Hughes released *The Outlaw* himself in 1943 and made a mint on Russell's cleavage. Hollywood had long sold female sexiness but only as a full package: face, figure and personality. Russell, who died Feb. 28 at 89, was the first woman to become a movie star by being peddled in parts.

She ripened into a fine actress in drama, with Robert Mitchum in *Macao*, and comedy, with Bob Hope in *The Paleface*. Russell also memorably played a sultry chanteuse alongside Marilyn Monroe in *Gentlemen Prefer Blondes*. She essentially retired from film in the late '50s, later playing on Broadway in Stephen Sondheim's *Company*, proselytizing against abortion and for adoption and serving as a pitchwoman for Playtex bras ("for us full-figured gals"). The woman Hope called "the two and only Jane Russell" always accepted her strange fame with grace and a knowing smile. —RICHARD CORLISS

DIED

Frank Buckles, the last surviving U.S. World War I veteran, at 110: It is believed that two WWI veterans, who both served Britain, remain alive.

NAMED

Jeremy Bernard became the first male—and the first openly gay—White House social secretary; he will coordinate event planning for the Executive Mansion.

DIED

Suze Rotolo, Bob Dylan's former girlfriend who graced the cover of *The Freewheelin'* Bob Dylan and inspired a number of his early songs; she was 67.



DIED

Duke Snider

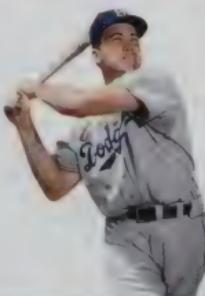
In the 1950s, during New York City's golden era of baseball, there was Willie, Mickey and the Duke—the on-field leaders of the city's three ball clubs. Willie Mays and Mickey Mantle have long been immortalized in baseball lore, but Duke Snider, who died Feb. 27 at 84, was a legend in his own right, helping lead the Brooklyn Dodgers to their sole championship, in 1955, and becoming the only player to twice hit four home runs in a World Series. Though he never won an MVP award, Snider was consistently among baseball's leaders in RBIs and runs scored. But Snider was also a perfectionist, convinced that he wasn't matching the talents of Mays and Mantle, and he took his many frustrations out on his loyal Brooklyn fans. But time and the record books have forgiven this Boy of Summer. —JOSH SANBURN



DIED

Necmettin Erbakan

As the founder of Turkey's political Islamist movement, Necmettin Erbakan, who died Feb. 27 at 84, spent his career battling secularist opposition. When Erbakan became Turkey's first Islamist Prime Minister in 1996, he called for a pan-Islamic currency and tried to ease a ban on headscarves. Months later, the country's generals issued a memo listing Erbakan's anti-secularist sins. He was forced to resign in early 1997. In his twilight years, Erbakan's power faded, but his former students (namely current PM Recep Tayyip Erdogan) have built on his political formula, allowing them to hold on to power for almost a decade. —FELIN TURGUT



HOSPITALIZED

Tennis star Serena Williams underwent emergency treatment on March 2 for complications from a previously discovered blood clot in her lungs.

DIED

Peter Gomes, Harvard University's minister who participated in two U.S. presidential inaugurations and was considered one of the country's leading preachers.

SENTENCED

British contractor Danny Fitzsimons was found guilty of the murder of two co-workers by an Iraqi court; he was the first Westerner tried there since the start of the Iraq war.



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Rana Foroohar



Fear and Loathing in the Oil Markets

Supply is fine (really), and demand is too. So why do prices just keep rising?

OIL IS PRIMAL. LIKE FOOD, IT'S necessary to our survival, and when we fear that our ability to heat our homes and fuel our cars might somehow be in danger, we panic. That's a key reason petroleum prices have jumped so wildly off the back of the turmoil in the Middle East in recent weeks. The current price of oil—\$116 per barrel as of March 1—is at least \$20 per barrel higher than what experts say it should be, based on the simple logic of supply and demand. The same was roughly true during any number of past oil spikes, from the Iranian revolution to the Gulf War in 1991; in those two cases, prices were 30% higher than they should have been, based on the facts on the ground. As it was then, it is often fear rather than reality that drives oil prices.

To understand how this is playing out today, forget about bombed-out Libyan refineries and emergency evacuations of oil workers and consider the facts: Libyan oil represents less than 2% of the world's daily supply. As soon as the troubles began, the Saudis (who control 25% of the world's proven reserves) said they'd immediately pump enough additional oil to make up for the Libyan disruptions. As Saudi Oil Minister Ali al Naimi put it, "OPEC is ready to meet any shortage in supply when it happens. There is fear and concern, but there is no shortage."

His words underscore the fact that the Saudis will do anything necessary to ensure the stability of their regime. They have their own fears—namely, of revolution. This is clear from the fact that in addition to pumping more oil, they are pumping \$36 billion worth of stimulus into their domestic economy in the hopes that unemployed young

people in the kingdom won't take to the streets as their peers elsewhere in the Middle East have done. Still, the idea that there is no real shortage of oil in the world is not just Saudi hubris. Until Libya, the world had plenty of spare oil sitting around—about 6 million barrels per day. "That's huge by historical standards," notes Robin West, the head of Washington-based consultancy PFC Energy. "In the old



days, that would have implied much lower oil prices."

But these are the new days—days in which rising energy demand in China and other fast-growing emerging markets is pushing prices up, as are investors who increasingly see oil not just as fuel but also as a financial instrument. A lot of pension funds are now heavily invested in oil, and so are any number of speculators. Ben Bernanke may deny it, but plenty of Wall Street investors I speak with believe that the U.S. government's decision to keep the easy-money gravy train going has also led to higher oil prices: all that hedge-fund money needs somewhere to go.

That's another reason the fear factor in oil may continue to rise. More speculation in energy markets means more uncertainty. And there's going to be plenty of that in the energy business. Fear has increased the volatility of oil prices, and that has created a snowball effect, in which the industry has grown wary of investing in new facilities and expensive exploration. Such investments would ultimately lower prices by bringing more new energy supplies online. But oil is a costly business, and industry executives don't want to pour billions into new exploration if they don't trust prices will stay high for very long.

Consider the last major oil spike, back in 2008, when the per-barrel price went to a nosebleed \$148. There were many reasons for the uptick, including strong growth in the global economy over many years and a speculator-driven bubble toward the end of the boom. But another significant reason was that in the two decades leading up to the spike, the average price of oil was just \$20 a barrel. With prices that low, nobody wanted to invest—which meant that once demand suddenly began to rise, everything from oil engineers to offshore rigs was in short supply. That pushed prices up fast.

All this points to a truism about oil: it's an uncertain business, even for experts, and uncertainty leads to fear. But for all the things we don't know about oil, one thing is certain: today, Western oil companies have access to only 25% of the world's known reserves. Thanks to another megatrend in the business—rising oil nationalism—the rest lies in the hands of state-run companies in countries throughout the Middle East, Africa and Asia, many of which are autocracies. That, more than any temporary shutdown in Libya, is the real reason to be fearful.

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Mike Murphy



The Real Stakes in Wisconsin

Walker's war on the public unions could change the game across the U.S. in 2012

IF YOU DON'T LOOK TOO CLOSELY, THE battle lines between Wisconsin's Republican governor, Scott Walker, and his state's public employees' unions seem to be clearly drawn. Walker wants public employees to pay more toward their health care and retirement benefits, while teachers and public workers know that Walker's plan to curb most collective bargaining is a malicious plot to bust up their unions.

Of course neither side wants to discuss what is really at stake in this battle: the public-sector unions are fighting for their shady ability to take millions of dollars from their members' dues money without really asking, and the governor is not really owning up to his ambition to smash the political power of public employees' unions to smithereens.

The stakes are rising because, if Walker succeeds, other swing states with newly elected Republican governors, such as Ohio and Michigan, could follow. A growing movement by cash-strapped states to limit the political clout of public-sector unions would bring disastrous results, not only for the unions but for every Democratic candidate eyeing the 2012 ballot, from local officials all the way up to Barack Obama.

Walker has a strong case on the fiscal merits. The cost of state employees' benefits has skyrocketed in tandem with the rising power of public employees' unions. It has become a perverse and semicorrupt arrangement: the unions raise millions from dues, which are then used to elect labor-friendly politicians who cave at the contract-negotiating table, especially on long-term employment deals, whose cost really begins to crush the state or city budget in the years after the agreeable politician has left office. This is where

public-sector unions lack the moral authority of their private-sector brethren. When the United Steelworkers negotiate with a steel company, they don't also control the company's board of directors.

Few Americans understand how the public-employee-union money machine works. Many unionized state and local public workers have their dues automatically deducted from their paychecks. On average, a teacher in Wisconsin pays



more than \$1,000 per year to the union (from an average salary of \$51,264). A decent chunk of this money is used to fund political activities. That doesn't mean just making contributions. It also means running lavish independent ad campaigns in support of their chosen candidates and against their opponents. Even Democratic candidates who oppose union priorities can face massively funded negative campaigns targeting them in primaries. Engaging in such well-funded political activity is the unions' right, of course, but their immense financial power means they are bringing a machine gun to a fist fight.

Can rank-and-file employees opt

out of their unions' political spending? They can, but they have to ask for that exemption, and few do. The system is set up to allow the unions' political barons to easily skim big money from dues with very little member involvement. Under Walker's proposal, employees have to opt into their union and its dues every year; nothing is automatic. Union leaders fear that few rank-and-file members would do so, and their political machines would quickly grind to a halt. And if Walker wins his battle in Wisconsin, it could become a game changer for the GOP as other states follow suit.

This brutal battle of political realpolitik is why both sides in Madison are dug in deep, hanging from the rafters of the Wisconsin state capitol and vowing to fight to the death. National labor and interest groups are funding TV ads trying to push public opinion in Wisconsin to one side or the other. (Disclosure: I work with a communications firm doing some of the pro-Walker ads. I also belong to a union affiliated with the AFL-CIO.)

Both sides have polls showing they are winning, but the ground truth is murkier. Walker is prevailing in the argument over the budget. But the unions

have cleverly begun to defend what they call the right of collective bargaining. That move is as politically effective as it is factually dubious. Collective bargaining for public employees didn't begin to gain strength until the 1960s, when growing union power (and Democratic statehouses) conspired to adopt it. Two generations later, only 26 states allow collective bargaining for most public employees, and this "right" has largely not been extended to federal workers.

Like all political battles, the Wisconsin fight will come down to numbers. I'm betting on Walker. He has the votes. ■

Murphy is a Republican political consultant

ADVAIR DISKUS® 100/50

(fluticasone propionate 100 mcg and salmeterol 50 mcg inhalation powder)

ADVAIR DISKUS is for the treatment of asthma in patients 4 years and older. ADVAIR should be used only if your healthcare provider decides that your asthma is not well controlled with a long-term asthma control medicine, such as an inhaled corticosteroid.

Important Safety Information About ADVAIR DISKUS for Asthma

- People with asthma who take long-acting beta₂-adrenergic agonist (LABA) medicines, such as salmeterol (one of the medicines in ADVAIR DISKUS), have an increased risk of death from asthma problems. It is not known whether fluticasone propionate, the other medicine in ADVAIR DISKUS, reduces the risk of death from asthma problems seen with salmeterol.
 - Call your healthcare provider if breathing problems worsen over time while using ADVAIR. You may need different treatment.
 - Get emergency medical care if breathing problems worsen quickly and you use your rescue inhaler medicine, but it does not relieve your breathing problems.
- ADVAIR should be used only if your healthcare provider decides that your asthma is not well controlled with a long-term asthma control medicine, such as an inhaled corticosteroid.
- When your asthma is well controlled, your healthcare provider may tell you to stop taking ADVAIR. Your healthcare provider will decide if you can stop ADVAIR without loss of asthma control. Your healthcare provider may prescribe a different asthma control medicine for you, such as an inhaled corticosteroid.
- Children and adolescents with asthma who take LABA medicines may have an increased risk of hospitalization for asthma problems.
- Do not use ADVAIR to treat sudden, severe symptoms of asthma. Always have a rescue inhaler medicine with you to treat sudden symptoms.
- Do not use ADVAIR DISKUS if you have severe allergy to milk proteins. Ask your doctor if you are not sure. **Do not use ADVAIR more often than prescribed. Do not take ADVAIR with other medicines that contain a LABA for any reason.** Tell your doctor about medicines you take and about all of your medical conditions.
- **ADVAIR DISKUS can cause serious side effects, including:**
 - **serious allergic reactions.** Call your healthcare provider or get emergency medical care if you get any of the following symptoms of a serious allergic reaction: rash; hives; swelling of the face, mouth, and tongue; breathing problems.
 - **sudden breathing problems immediately after inhaling your medicine**
 - **effects on heart:** increased blood pressure; a fast and irregular heartbeat; chest pain
 - **effects on nervous system:** tremor; nervousness
 - **reduced adrenal function (may result in loss of energy)**
 - **changes in blood (sugar, potassium, certain types of white blood cells)**
 - **weakened immune system and a higher chance of infections.** You should avoid exposure to chickenpox and measles, and, if exposed, consult your healthcare provider without delay. Worsening of existing tuberculosis, fungal, bacterial, viral, or parasitic infections, or ocular herpes simplex may occur.
 - **lower bone mineral density.** This may be a problem for people who already have a higher chance of low bone density (osteoporosis).
 - **eye problems including glaucoma and cataracts.** You should have regular eye exams while using ADVAIR.
 - **slowed growth in children.** A child's growth should be checked often.
- **Common side effects of ADVAIR DISKUS include** upper respiratory tract infection, throat irritation, hoarseness and voice changes, thrush in the mouth and throat, bronchitis, cough, headache, nausea, and vomiting. In children with asthma, infections in the ear, nose, and throat are common.

Please see summary of Important Safety Information about ADVAIR DISKUS on next page.

You are encouraged to report negative side effects of prescription drugs to the FDA. Visit www.fda.gov/medwatch, or call 1-800-FDA-1088.

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ADVAIR

ADVAIR DISKUS®

(fluticasone propionate and salmeterol inhalation powder)

This summary does not take the place of talking to your healthcare provider about your medical condition or treatment. See full Prescribing Information for complete product information.

What is the most important information I should know about ADVAIR DISKUS?

ADVAIR DISKUS can cause serious side effects, including:

1. People with asthma who take long-acting beta-adrenergic agonist (LABA) medicines, such as salmeterol (one of the medicines in ADVAIR DISKUS), have an increased risk of death from asthma problems. It is not known whether fluticasone propionate, the other medicine in ADVAIR DISKUS, reduces the risk of death from asthma problems seen with salmeterol.
2. Call your healthcare provider if breathing problems worsen over time while using ADVAIR DISKUS. You may need different treatment.
3. Get emergency medical care if:
 - breathing problems worsen quickly
 - you use your rescue inhaler medicine, but it does not relieve your breathing problems.
2. ADVAIR DISKUS should be used only if your healthcare provider decides that your asthma is not well controlled with a long-term asthma control medicine, such as inhaled corticosteroids.
3. When your asthma is well controlled, your healthcare provider may tell you to stop taking ADVAIR DISKUS. Your healthcare provider will decide if you can stop ADVAIR DISKUS without loss of asthma control. Your healthcare provider may prescribe a different asthma control medicine for you, such as an inhaled corticosteroid.
4. Children and adolescents who take LABA medicines may have an increased risk of being hospitalized for asthma problems.

What is ADVAIR DISKUS?

- ADVAIR DISKUS combines an inhaled corticosteroid medicine, fluticasone propionate (the same medicine found in FLOVENT®), and a LABA medicine, salmeterol (the same medicine found in SEREVENT®).
 - inhaled corticosteroids help to decrease inflammation in the lungs. Inflammation in the lungs can lead to asthma symptoms.
 - LABA medicines are used in people with asthma and chronic obstructive pulmonary disease (COPD). LABA medicines help the muscles around the airways in your lungs stay relaxed to prevent symptoms, such as wheezing and shortness of breath. These symptoms can happen when the muscles around the airways tighten. This makes it hard to breathe. In severe cases, wheezing can stop your breathing and cause death if not treated right away.
- ADVAIR DISKUS is used for asthma and COPD as follows:

Asthma

ADVAIR DISKUS is used to control symptoms of asthma and to prevent symptoms such as wheezing in adults and children aged 4 years and older.

ADVAIR DISKUS contains salmeterol (the same medicine found in SEREVENT). LABA medicines, such as salmeterol, increase the risk of death from asthma problems.

ADVAIR DISKUS is not for adults and children with asthma who are well controlled with an asthma control medicine, such as a low to medium dose of an inhaled corticosteroid medicine.

COPD

COPD is a chronic lung disease that includes chronic bronchitis, emphysema, or both. ADVAIR DISKUS 250/50 is used long term, 2 times each day to help improve lung function for better breathing in adults with COPD. ADVAIR DISKUS 250/50 has been shown to decrease the number of flare-ups and worsening of COPD symptoms (exacerbations).

Who should not use ADVAIR DISKUS?

Do not use ADVAIR DISKUS:

- to treat sudden, severe symptoms of asthma or COPD.

- if you have a severe allergy to milk proteins. Ask your doctor if you are not sure.

What should I tell my healthcare provider before using ADVAIR DISKUS?

Tell your healthcare provider about all of your health conditions, including if you:

- have heart problems • have high blood pressure
- have seizures • have thyroid problems
- have diabetes • have liver problems
- have osteoporosis
- have an immune system problem
- are pregnant or planning to become pregnant. It is not known if ADVAIR DISKUS may harm your unborn baby.
- are breastfeeding. It is not known if ADVAIR DISKUS passes into your milk and if it can harm your baby.
- are allergic to any of the ingredients in ADVAIR DISKUS, any other medicines, or food products
- are exposed to chickenpox or measles

Tell your healthcare provider about all the medicines you take including prescription and non-prescription medicines, vitamins, and herbal supplements. ADVAIR DISKUS and certain other medicines may interact with each other. This may cause serious side effects. Especially, tell your healthcare provider if you take ritonavir. The anti-HIV medicines NORVIR® (ritonavir capsules) Soft Gelatin NORVIR (ritonavir oral solution), and KALETRA® (lopinavir/ritonavir) Tablets contain ritonavir.

Know the medicines you take. Keep a list and show it to your healthcare provider and pharmacist each time you get a new medicine.

How do I use ADVAIR DISKUS?

Do not use ADVAIR DISKUS unless your healthcare provider has taught you and you understand everything. Ask your healthcare provider or pharmacist if you have any questions.

- Children should use ADVAIR DISKUS with an adult's help, as instructed by the child's healthcare provider.
- Use ADVAIR DISKUS exactly as prescribed. Do not use ADVAIR DISKUS more often than prescribed. ADVAIR DISKUS comes in 3 strengths. Your healthcare provider has prescribed the one that is best for your condition.
- The usual dosage of ADVAIR DISKUS is 1 inhalation 2 times each day (morning and evening). The 2 doses should be about 12 hours apart. Rinse your mouth with water after using ADVAIR DISKUS.
- If you take more ADVAIR DISKUS than your doctor has prescribed, get medical help right away if you have any unusual symptoms, such as worsening shortness of breath, chest pain, increased heart rate, or shakiness.
- If you miss a dose of ADVAIR DISKUS, just skip that dose. Take your next dose at your usual time. Do not take 2 doses at one time.
- Do not use a spacer device with ADVAIR DISKUS.
- Do not breathe into ADVAIR DISKUS.
- While you are using ADVAIR DISKUS 2 times each day, do not use other medicines that contain a LABA for any reason. Ask your healthcare provider or pharmacist if any of your other medicines are LABA medicines.
- Do not stop using ADVAIR DISKUS or other asthma medicines unless told to do so by your healthcare provider because your symptoms might get worse. Your healthcare provider will change your medicines as needed.
- ADVAIR DISKUS does not relieve sudden symptoms. Always have a rescue inhaler medicine with you to treat sudden symptoms. If you do not have an inhaled, short-acting bronchodilator, call your healthcare provider to have one prescribed for you.

Call your healthcare provider or get medical care right away if:

- your breathing problems worsen with ADVAIR DISKUS.
- you need to use your rescue inhaler medicine more often than usual
- your rescue inhaler medicine does not work as well for you at relieving symptoms
- you need to use 4 or more inhalations of your rescue inhaler medicine for 2 or more days in a row

- you use 1 whole canister of your rescue inhaler medicine in 8 weeks' time

- your peak flow meter results decrease. Your healthcare provider will tell you the numbers that are right for you.

- you have asthma and your symptoms do not improve after using ADVAIR DISKUS regularly for 1 week

What are the possible side effects with ADVAIR DISKUS?

- ADVAIR DISKUS can cause serious side effects, including:

- See "What is the most important information I should know about ADVAIR DISKUS?"

- serious allergic reactions. Call your healthcare provider or get emergency medical care if you get any of the following symptoms of a serious allergic reaction:

- rash
- hives
- swelling of the face, mouth, and tongue
- breathing problems

- sudden breathing problems immediately after inhaling your medicine

- effects on heart
 - increased blood pressure
 - a fast and irregular heartbeat
 - chest pain

- effects on nervous system
 - tremor
 - nervousness

- reduced adrenal function (may result in loss of energy) • changes in blood (sugar, potassium, certain types of white blood cells)

- weakened immune system and a higher chance of infections

- lower bone mineral density. This may be a problem for people who already have a higher chance of low bone density (osteoporosis).
- eye problems including glaucoma and cataracts. You should have regular eye exams while using ADVAIR DISKUS.
- slowed growth in children. A child's growth should be checked often.

- pneumonia. People with COPD have a higher chance of getting pneumonia. ADVAIR DISKUS may increase the chance of getting pneumonia. Call your healthcare provider if you notice any of the following symptoms:
 - increase in mucus (sputum) production
 - change in mucus color
 - fever
 - chills
 - increased cough
 - increased breathing problems

Common side effects of ADVAIR DISKUS include:

- Asthma:
 - upper respiratory tract infection
 - throat irritation
 - hoarseness and voice changes
 - thrush in the mouth and throat
 - bronchitis
 - cough
 - headache
 - nausea and vomiting

- COPD:
 - thrush in the mouth and throat
 - throat irritation
 - hoarseness and voice changes
 - viral respiratory infections
 - headache
 - muscle and bone pain

- In children with asthma, infections in the ear, nose, and throat are common.

- Tell your healthcare provider about any side effect that bothers you or that does not go away.

- These are not all the side effects with ADVAIR DISKUS. Ask your healthcare provider or pharmacist for more information.

- Call your doctor for medical advice about side effects. You may report side effects to the FDA at 1-800-FDA-1088.

- Ask your healthcare provider or pharmacist for additional information about ADVAIR DISKUS. You can also contact the company that makes ADVAIR DISKUS (toll free) at 1-888-825-5249 or at www.advar.com.

Joe Klein



To read Joe's blog posts, go to time.com/swampland

Who's Afraid of Reforming Wall Street?

Well, pretty much everybody in Washington, except Elizabeth Warren

THREE YEARS AFTER A HORRIFIC financial crisis caused by massive fraud, not a single financial executive has gone to jail," said Charles Ferguson, accepting a well-deserved Oscar for *Inside Job*, his documentary about the great Wall Street heist. "And that's wrong." Of course it is—but that shouldn't be a surprise. To put bad guys in jail, you need police and prosecutors. The financial police we have, agencies like the Securities and Exchange Commission (SEC) and the Commodity Futures Trading Commission (CFTC), have been laughably inept in the era of financial deregulation. The SEC wasn't even able to spot the broad-daylight highway robbery committed by Bernard Madoff. And so, in 2010, the Obama Administration nudged through Congress the Dodd-Frank financial-reform bill, which was designed to put real cops, with real regulatory heft, on the financial beat. And now, in 2011, the Republican House seems intent on quietly gutting the bill under the sordid camouflage of budget cutting. "They're defunding the police after we had the biggest bout of looting in history," an Administration official told me. "That's just crazy."

Let's review the outrage: the heart of the financial collapse was a fraudulent effort to sell home mortgages to people who couldn't afford them. Some of these mortgages were truly mind-boggling—no money down (but a hefty interest rate hidden in the thicket of contractual codicils), no documentation (like proof of job and salary). The mortgages were then thrown together into giant, opaque bond packages and sold again as solid investments. (The ratings agencies, Moody's and Standard & Poor's, were essentially unindicted co-conspirators in the scam.) And those packages were then sliced up, resold and

transformed into exotic derivatives, which were bet on by bond traders and investors.

Confused? Well, that was the point. According to Michael Lewis, whose book *The Big Short* is a riveting encyclopedia of the disaster, even the SEC was confused by the actual contents of the most far-fetched packages, called collateralized debt obligations (CDOs). Wall Street spewed terms like *collateralized debt obligation* in order to mislead: a more accurate abbreviation



might have been RCLs—repackaged crappy loans. When the crappy loans couldn't be repaid, the housing market, Wall Street and the American economy imploded. The Wall Street traders pocketed hundreds of millions in profits; the American taxpayer, and homeowner, picked up the losses.

The Dodd-Frank law was an imperfect remedy. It didn't restructure the big banks, which are still too big to fail. It didn't tax or outlaw the casino-game derivatives. But it did boost the power of the SEC and CFTC to regulate derivatives trading, and it set up a new agency, the Consumer Financial Protection Bureau (CFPB), to protect consumers from the shyster army peddling tricky mortgages, usurious credit-card rates and unscrupulous payday check-cashing shops. The agencies need larger payrolls to

perform those functions, and the Republican House has now stripped much of that money from the federal budget. "It's a back alley maneuver," says Representative Barney Frank, whose name is on the law.

"Unlike health care or environmental regulation, the Republicans didn't try a frontal assault. They hid behind the budget, which means that they're embarrassed by this. They don't want people to know that they're letting Wall Street off the hook."

But what about the Democratic-majority Senate? Can't it restore the funds for the financial police? Maybe, maybe not. Wall Street has some reliable Senate Democratic defenders, like New York's Charles Schumer. And there are a whole lot of higher-visibility—and more easily comprehensible—battles for Senate Democrats to fight. "I expect the President will take a stand soon," says Illinois Senator Dick Durbin, who chairs the Appropriations subcommittee that funds the regulatory agencies. "He'll probably emphasize the three areas he mentioned in the State of the Union speech: education, research and development, and infrastructure." And Wall Street regulation? "Well, I hope he does," Durbin says. "But you run into the problem of message overload. Will the public understand the importance of the issues at stake?"

And then there's the question of Elizabeth Warren, the Harvard law professor who invented the idea of the Consumer Financial Protection Bureau and should be its first director. The Administration seems undecided on whether to appoint her, fearing a Senate confirmation battle that could last for months. "The banks are scared to death of her," one Senator told me. "She speaks in clear, simple sentences. That terrifies them."

Which means this is a fight worth having—and a way to dramatize the complicated issues at the heart of regulatory reform. The President should appoint Warren. The Senate should be forced to vote on her, so the public will know who really wants to clean up Wall Street and who doesn't.

Are America's Best Days Behind Us?

The U.S. is used to being No. 1. But it's going to take a lot more than a few budget cuts and shifting resources to stay competitive in today's global arena. It's time to adopt a whole new way of thinking. Is America ready?

BY FAREED ZAKARIA

I AM AN AMERICAN, NOT BY ACCIDENT OF BIRTH BUT BY choice. I voted with my feet and became an American because I love this country and think it is exceptional. But when I look at the world today and the strong winds of technological change and global competition, it makes me nervous. Perhaps most unsettling is the fact that while these forces gather strength, Americans seem unable to grasp the magnitude of the challenges that face us. Despite the hyped talk of China's rise, most Americans operate on the assumption that the U.S. is still No. 1.

But is it? Yes, the U.S. remains the world's largest economy, and we have the largest military by far, the most dynamic technology companies and a highly entrepreneurial climate. But these are snapshots of where we are right now. The decisions that created today's growth—decisions about education, infrastructure and the like—were made decades ago. What we see today is an American economy that has boomed because of policies and developments of the 1950s and '60s: the interstate-highway system, massive funding for science and technology, a public-education system that was the envy of the world and generous immigration policies. Look at some underlying measures today, and you will wonder about the future.

The following rankings come from various lists, but they all tell the same story. According to the Organisation for Economic Co-operation and Development (OECD), our 15-year-olds rank 17th in the world in science and 25th in math. We rank 12th among developed countries in college graduation (down from No. 1 for decades). We come in 79th in elementary-school

enrollment. Our infrastructure is ranked 23rd in the world, well behind that of every other major advanced economy. American health numbers are stunning for a rich country: based on studies by the OECD and the World Health Organization, we're 27th in life expectancy, 18th in diabetes and first in obesity. Only a few decades ago, the U.S. stood tall in such rankings. No more. There are some areas in which we are still clearly No. 1, but they're not ones we usually brag about. We have the most guns. We have the most crime among rich countries. And, of course, we have by far the largest amount of debt in the world.

The Rise of the Rest

MANY OF THESE CHANGES HAVE TAKEN PLACE NOT BECAUSE OF America's missteps but because other countries are now playing the same game we are—and playing to win. There is a familiar refrain offered when these concerns are raised: "We heard all this in the 1980s. Japan was going to dominate the globe. It didn't happen, and America ended up back on top." It's a fair point as far as it goes. Japan did not manage to become the world's richest country—though for three decades it had the second largest economy and even now has the third largest. It is also a relatively small country. To become the largest economy in the world, it would have to have a per capita GDP twice that of the U.S. China would need to have an average income only one-fourth that of the U.S. to develop an economy that would surpass ours.

But this misses the broader point. The Harvard historian Niall Ferguson, who has just written a book, *Civilization: The West and the Rest*, puts things in historical context: "For 500 years the West



patented six killer applications that set it apart. The first to download them was Japan. Over the last century, one Asian country after another has downloaded these killer apps—competition, modern science, the rule of law and private property rights, modern medicine, the consumer society and the work ethic. Those six things are the secret sauce of Western civilization.”

To this historical challenge from nations that have figured out how the West won, add a technological revolution. It is now possible to produce more goods and services with fewer and fewer people, to shift work almost anywhere in the world and to do all this at warp speed. That is the world the U.S. now faces. Yet the country seems unready for the kind of radical adaptation it needs. The changes we are currently debating amount to rearranging the deck chairs on the *Titanic*.

Sure, the political system seems to be engaged in big debates about the budget, pensions and the nation's future. But this is mostly a sideshow. The battles in state capitals over public-employee pensions are real—the states are required to balance their budgets—but the larger discussion in Washington is about everything except what's important. The debate between Democrats and Republicans on the budget excludes the largest drivers of the long-term deficit—Social Security, Medicaid and Medicare—to say nothing of the biggest nonentitlement costs, like the tax break for interest on mortgages. Only four months ago, the Simpson-Bowles commission presented a series of highly intelligent solutions to our fiscal problems, proposing \$4 trillion in savings, mostly through cuts in programs but also through some tax increases. They have been forgotten by both parties, in particular the Republicans, whose leading budgetary spokesman, Paul Ryan, praises the commission in the abstract even though he voted against its recommendations. Democrats, for their part, became apoplectic about a proposal to raise the retirement age for Social Security by one year—in 2050.

Instead, Washington is likely to make across-the-board cuts in discretionary spending, where there is much less money and considerably less waste. President Obama's efforts to preserve and even increase resources for core programs appear to be failing in a Congress determined to demonstrate its clout. But reducing funds for things like education, scientific research, air-traffic control, NASA, infrastructure and alternative energy will not produce much in savings, and it will hurt the economy's long-term growth. It would happen at the very moment that countries from Germany to South Korea to China are making large investments in education, science, technology and infrastructure. We are cutting investments and subsidizing consumption—exactly the opposite of what are the main drivers of economic growth.

So why are we tackling our economic problems in a manner that is shortsighted and wrong-footed? Because it is politically easy. The key to understanding the moves by both parties is that, for the most part, they are targeting programs that have neither a wide base of support nor influential interest groups behind them. (And that's precisely why they're not where the money is. The American political system is actually quite efficient. It distributes the big bucks to popular programs and powerful special interests.) And neither side will even talk about tax increases, though it is impossible to achieve long-term fiscal stability without them. Certain taxes—such as



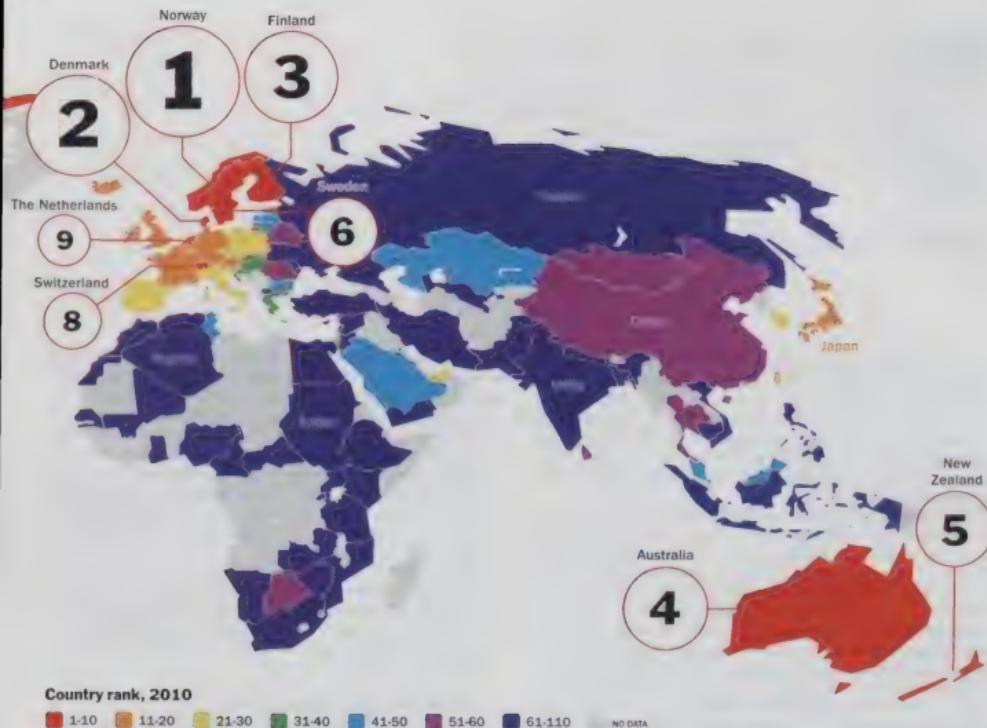
Prosperity Index

Scandinavian countries rate the highest in the Legatum Institute's index of prosperity—a measure of material wealth and quality of life among 110 nations. Having dropped from a first-place tie in 2007, the U.S. now ranks 10th

Source: 2010 Legatum Prosperity Index

ones on carbon or gas—would have huge benefits beyond revenue, like energy efficiency.

It's not that our democracy doesn't work; it's that it works only too well. American politics is now hyperresponsive to constituents' interests. And all those interests are dedicated to preserving the past rather than investing for the future. There are no lobbying groups for the next generation of industries, only for those companies that are here now with cash to spend. There are no special-interest groups for our children's economic well-being, only for people who get government benefits right now. The whole system is geared to preserve current subsidies, tax breaks and loopholes. That is why the federal government spends \$4 on elderly people for every \$1 it spends on those under 18. And when the time comes to make cuts, guess whose programs are first on the chopping board. That is a terrible sign of a society's priorities and outlook.



The Perils of Success

WHY HAVE OUR PRIORITIES BECOME SO MANGLED? SEVERAL decades ago, economist Mancur Olson wrote a book called *The Rise and Decline of Nations*. He was prompted by what he thought was a strange paradox after World War II. Britain, having won the war, slipped into deep stagnation, while Germany, the loser, grew powerfully year after year. Britain's fall was even more perplexing considering that it was the creator of the Industrial Revolution and was the world's original economic superpower.

Olson concluded that, paradoxically, it was success that hurt Britain, while failure helped Germany. British society grew comfortable, complacent and rigid, and its economic and political arrangements became ever more elaborate and costly, focused on distribution rather than growth. Labor unions, the welfare state, protectionist policies and massive borrowing all shielded Britain from the new international competition. The system be-

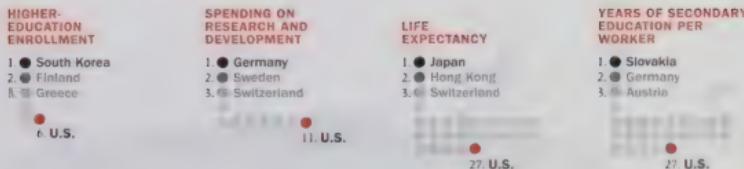
came sclerotic, and over time, the economic engine of the world turned creaky and sluggish.

Germany, by contrast, was almost entirely destroyed by World War II. That gave it a chance not just to rebuild its physical infrastructure but also to revise its antiquated arrangements and institutions—the political system, the guilds, the economy—with a more modern frame of mind. Defeat made it possible to question everything and rebuild from scratch.

America's success has made it sclerotic. We have sat on top of the world for almost a century, and our repeated economic, political and military victories have made us quite sure that we are destined to be No. 1 forever. We have some advantages. Size matters: when crises come, they do not overwhelm a country as big as the U.S. When the financial crisis hit nations such as Greece and Ireland, it dwarfed them. In the U.S., the problems occurred within the context of a \$15 trillion economy and in a

Falling Behind

The U.S. trails other developed countries in such categories as education, technology, health and economy



Source: The 2010 Legatum Prosperity Index uses 89 measures of wealth and well-being to assess country performances in promoting prosperity in eight main areas: economy, entrepreneurship and opportunity, governance, education, health, safety and security, personal freedom and social capital.

country that still has the trust of the world. Over the past three years, in the wake of the financial crisis, U.S. borrowing costs have gone down, not up.

This is a powerful affirmation of America's strengths, but the problem is that they ensure that the U.S. will not really face up to its challenges. We adjust to the crisis of the moment and move on, but the underlying cancer continues to grow, eating away at the system.

A crucial aspect of beginning to turn things around would be for the U.S. to make an honest accounting of where it stands and what it can learn from other countries. This kind of benchmarking is common among businesses but is sacrilege for the country as a whole. Any politician who dares suggest that the U.S. can learn from—let alone copy—other countries is likely to be denounced instantly. If someone points out that Europe gets better health care at half the cost, that's dangerously socialist thinking. If a business leader notes that tax rates in much of the industrialized world are lower and that there are far fewer loopholes than in the U.S., he is brushed aside as trying to impoverish American workers. If a commentator says—correctly—that social mobility from one generation to the next is greater in many European nations than in the U.S., he is laughed at. Yet several studies, the most recent from the OECD last year, have found that the average American has a much lower chance of moving out of his parents' income bracket than do people in places like Denmark, Sweden, Germany and Canada.

And it's not just politicians and business leaders. It's all of us. Americans simply don't care much, know much or want to learn much about the outside world. We think of America as a

globalized society because it has been at the center of the forces of globalization. But actually, the American economy is quite insular; exports account for only about 10% of it. Compare that with the many European countries where half the economy is trade-related, and you can understand why those societies seem more geared to international standards and competition. And that's the key to a competitive future for the U.S. If Olson is right in saying successful societies get sclerotic, the solution is to stay flexible. That means being able to start and shut down companies and hire and fire people. But it also means having a government that can help build out new technologies and infrastructure, that invests in the future and that can eliminate programs that stop working. When Franklin Roosevelt launched the New Deal, he spoke of the need for "bold, persistent experimentation," and he shut down programs when it was clear they didn't work. Today, every government program and subsidy seems eternal.

What the Founding Fathers Knew

IS ANY OF THIS POSSIBLE IN A RICH, DEMOCRATIC COUNTRY? IN fact it is. The countries of Northern Europe—Denmark, Sweden, Norway, Finland—have created a fascinating and mixed model of political economy. Their economies are extremely open and market-based. Most of them score very high on the Heritage Foundation's Index of Economic Freedom. But they also have generous welfare states and make major investments for future growth. Over the past 20 years, these countries have grown nearly as fast as, or in some cases faster than, the U.S. Germany has managed to retain its position as the world's export engine despite high wages and generous benefits.

Now, America should not and cannot simply copy the Nordic model or any other. Americans would rebel at the high taxes that Northern Europeans pay—and those taxes are proving uncompetitive in a world where many other European countries have much lower rates and Singapore has a maximum personal rate of 20%. The American system is more dynamic, entrepreneurial and unequal than that of Europe and will remain so. But the example of Northern Europe shows that rich countries can stay competitive if they remain flexible, benchmark rigorously and embrace efficiency.

American companies are, of course, highly efficient, but American government is not. By this I don't mean to echo the

We have sat on top of the world for almost a century, and our repeated economic, political and military victories have made us quite sure that we are destined to be No. 1 forever

**PERCEPTION THAT
WORKING HARD
GETS YOU AHEAD**

- 1. ● Cambodia
- 2. ● Sri Lanka
- 3. ● Indonesia

28. U.S.

**SATISFACTION
WITH STANDARD
OF LIVING**

- 1. ● Denmark
- 2. ● Norway
- 3. ● The Netherlands

28. U.S.

**ADEQUATE
FOOD AND
SHELTER**

- 1. ● Denmark
- 2. ● Singapore
- 3. ● The Netherlands

31. U.S.

**DOMESTIC
SAVINGS
RATE**

- 1. ● Kuwait
- 2. ● Algeria
- 3. ● Kazakhstan

84. U.S.

**OPTIMISM
ABOUT JOB
AVAILABILITY**

- 1. ● Norway
- 2. ● The Netherlands
- 3. ● The Philippines

86. U.S.

usual complaints about waste, fraud and abuse. In fact, there is less of those things than Americans think, except in the Pentagon with its \$700 billion budget. The problem with the U.S. government is that its allocation of resources is highly inefficient. We spend vast amounts of money on subsidies for housing, agriculture and health, many of which distort the economy and do little for long-term growth. We spend too little on science, technology, innovation and infrastructure, which will produce growth and jobs in the future. For the past few decades, we have been able to be wasteful and get by. But we will not be able to do it much longer. The money is running out, and we will have to marshal funds and target spending far more strategically. This is not a question of too much or too little government, too much or too little spending. We need more government and more spending in some places and less in others.

The tragedy is that Washington knows this. For all the partisan polarization there, most Republicans know that we have to invest in some key areas, and most Democrats know that we have to cut entitlement spending. But we have a political system that has become allergic to compromise and practical solutions. This may be our greatest blind spot. At the very moment that our political system has broken down, one hears only encomiums to it, the Constitution and the perfect Republic that it created. Now, as an immigrant, I love the special and, yes, exceptional nature of American democracy. I believe that the Constitution was one of the wonders of the world—in the 18th century. But today we face the reality of a system that has become creaky. We have an Electoral College that no one understands and a Senate that doesn't work, with rules and traditions that allow a single Senator to obstruct democracy without even explaining why. We have a crazy-quilt patchwork of towns, municipalities and states with overlapping authority, bureaucracies and resulting waste. We have a political system geared toward ceaseless fundraising and pandering to the interests of the present with no ability to plan, invest or build for the future. And if one mentions any of this, why, one is being unpatriotic, because we have the perfect system of government, handed down to us by demigods who walked the earth in the late 18th century and who serve as models for us today and forever.

America's founders would have been profoundly annoyed by this kind of unreflective ancestor worship. They were global, cosmopolitan figures who learned and copied a

great deal from the past and from other countries and were constantly adapting their views. The first constitution, the Articles of Confederation, after all, was a massive failure, and the founders learned from that failure. The decision to have the Supreme Court sit in judgment over acts of the legislature was a later invention. America's founders were modern men who wanted a modern country that broke with its past to create a more perfect union.

And they thought a great deal about decline. Indeed, it was only a few years after the Revolution that the worrying began in earnest. The letters between Thomas Jefferson and John Adams, as the two men watched America in the early 19th century, are filled with foreboding and gloom; you could almost say they began a great American tradition, that of contemplating decay. Americans have been concerned about the health of their country for much of its existence. In the 1950s and '60s, we worried about the Soviet Union and its march toward modernization. In the 1980s, we worried about Japan. This did us no harm; on the contrary, all these fears helped us make changes that allowed us to revive our strength and forge ahead. Dwight Eisenhower took advantage of the fears about the Soviet Union to build the interstate-highway system. John Kennedy used the Soviet challenge in space to set us on a path toward the goal of getting to the moon.

What is really depressing is the tone of our debate. In place of the thoughtful concern of Jefferson and Adams, we have its opposite in tone and temperament—the shallow triumphalism purveyed by politicians now. The founders loved America, but they also understood that it was a work in progress, an unfinished enterprise that would constantly be in need of change, adjustment and repair. For most of our history, we have become rich while remaining restless. Rather than resting on our laurels, we have feared getting fat and lazy. And that has been our greatest strength. In the past, worrying about decline has helped us avert that very condition. Let's hope it does so today.



**Restoring the American Dream:
Getting Back to No. 1—a Fareed
Zakaria GPS Special premieres on
CNN at 8 p.m. E.T. and P.T. on Sunday,
March 6, and airs again at 8 p.m. E.T.
and P.T. on Saturday, March 12**

Don't Bet Against the United States

Through good times and bad, Americans have always worried about falling behind. That helps explain why the U.S. remains the world's leading nation

BY DAVID VON DREHLE

POOR U.S. OF A., FOREVER IN DECLINE. THE ARRIVAL of public theaters in Boston circa 1790 caused Samuel Adams to despair for the cause of liberty in the face of such debauchery. "Alas!" he wrote. "Will men never be free!" Charles Lindbergh fretted, "It seems improbable that we could win a war in Europe." Long before baseball, hand-wringing was the national pastime. We've never been virtuous enough, civilized enough, smart enough or resolute enough.

I was born into a country reeling from Sputnik, which revealed to the whole world that Americans are as dumb as rocks. John F. Kennedy had just been elected President, in part by bemoaning the "missile gap" between the mighty Soviet arsenal and our paltry few bottle rockets. "The United States no longer carries the same image of a vital society on the move with its brightest days ahead," Kennedy said in his final debate with Richard M. Nixon. That's the same Nixon who declared eight years later, "We are worse off in every area of the world tonight than we were when President Eisenhower left office." Hard to believe we could sink further, but we did, as the nightmare of Vietnam segued into the nightmare of Watergate, while the Japanese exposed the insufficiency of American enterprise. As I stumbled off to college, President Jimmy Carter was warning us about "a crisis of confidence ... that strikes at the very heart and soul and spirit of our national will." Thanks to our horrible schools, we were—according to the title of a major 1983 report—"A Nation at Risk." Then our family values went down the toilet.

You'd think America would be as washed up by now as the Captain and Tennille. So how come we're so much stronger than we were 50 years ago? Somehow, in the 235 years since we got started, Americans have weathered Boston theaters and Soviet science prodigies, violent lyrics and sex out of wedlock. We've



survived a Civil War, two world wars and a Great Depression, not to mention immigrant hordes, alcohol, Freemasons and the "vast wasteland" of network television. We've dodged the population bomb, the coming ice age, acid rain and the domino effect. America is to nations what Roberto Clemente was to right fielders. The Pirates legend fretted endlessly about how poorly he felt and how sick he was—while vigorously spraying hits and vacuuming fly balls.

So don't reach for the defibrillator paddles or the rosary beads quite yet.

Overblown Symptoms

THESE DAYS, THE DOCTORS DIAGNOSING AMERICAN DECLINE tend to focus on two types of disease. Some worry about deteriorating "social capital"—inadequate education, a demoralized workforce, dysfunctional politics. Others focus on the physical fitness of our economic edifice: the scale of investment, the level of debt, the fractures in the infrastructure. If you collect enough



symptoms, you can make a strong-sounding case that the country is indeed quite sick. But fallen trees don't prove the forest is dying.

And some of the most cited symptoms are overblown. Take the much discussed problem of income inequality. A very small number of superwealthy people are pocketing nearly all the growth in our national income. That sounds dire for a nation founded on the ideal of equality. It isn't, though, for a couple of reasons. First, a significant part of the rise in inequality is an illusion. Changes to the tax code since the 1980s have created strong incentives for owners of private businesses and certain partnerships to report their business earnings as personal income. This didn't necessarily change the amount of money in their pockets; it just meant that money is recorded in a different column of Uncle Sam's ledger. This expansion of so-called Subchapter S corporations and LLCs inflated the tax returns of the very rich—primarily the top 0.5% of all taxpayers. If the tax laws are changed again, money will shift again. Count on that.

Change could be good: a simpler tax code would be a boon

for most Americans. Ideally, we could accomplish this without discouraging the private charitable giving that totals more than \$300 billion per year in the U.S. But it probably wouldn't make much difference in the incomes of the less than superrich.

Why? Because the main force flattening income growth for most Americans is much bigger than the tax code. Globalization is one of those huge transformations you read about in history textbooks—and not in paragraphs but whole chapters, even whole volumes. Globalization is an epoch, as surely as the Bronze Age or the industrial age, only it is happening with unprecedented speed and scope.

Contrary to what you may hear, the U.S. is doing pretty well at riding that whirlwind. Wages may have stagnated, but the U.S. hasn't. America's inventors, innovators, entrepreneurs and workers have answered the sudden glut of cheap labor around the world by leading an astonishing revolution in productivity. One American produces as much, per capita, as six Chinese. We outproduce Japanese and Germans by about 30% and citizens of the European Union by nearly 45%. So despite slow wage growth, our standard of living has continued to improve. The \$160 that bought a portable black-and-white Admiral television set in 1971, with access to a handful of channels, will now buy (in 2011 dollars) a powerful laptop computer, with access to a world of information—more than any human could digest in a lifetime.

So yes, the world is changing, and yes, the U.S.—like all the world's countries—has a lot of hard work to do to keep up. It is deeply misleading, though, to cherry-pick dismal statistics from here and there to create an overall image of decline. To solve a problem, we must first understand it. American schools, for example, aren't lagging across the board. Where they struggle is in educating poor immigrant and minority students. Focus on that, and watch the gap close between our test scores and those of less diverse nations.

Even worse than flawed statistics, though, is the tendency to interpret the gains of other countries as losses for America. It's true that the U.S. used to generate more patents than the rest of the world combined. Now we produce slightly fewer than half. It is a safe bet that we will generate a smaller and smaller proportion in the future. We're not inventing less; instead, others are being empowered to imagine and invent. Will we always have more airports than the next dozen nations combined? Will we always have three times as many miles of railroad track as China? Probably not, because the rest of the world wants to be as connected as we are.

The fact that students in Finland score well on tests is no threat to us—even as we keep trying to improve our own performance. Attempts by China and Saudi Arabia to create world-class universities don't endanger our institutions—and nothing prevents us from making better use of those resources for more and more of our people.

As Americans, we're in favor of creativity wherever it can be found. We're apostles of prosperity and defenders of the free exchange of ideas. When more people in more countries are free to rise, to invent, to communicate, to dissent, it's not the doom of U.S. leadership. It is the triumph of the American way. Generations have worked hard and sacrificed much for the country to reach this point, and with further hard work and sacrifice (goaded by the spur of our relentless self-doubt) the U.S. will do just fine in the world it has shaped.

A Tale of Tw

Some consider compromise a dirty word; o



**'I came here ready to
go to war. The people
didn't send me here
to compromise.'**

Representative
Joe Walsh

0 Freshmen

Others think it's the only way they'll survive



"We need to get back to where we can talk about compromise."

Representative
Adam Kinzinger

BY ALEX ALTMAN

JOE WALSH DIDN'T GO TO WASHINGTON to make friends. "I came here ready to go to war," says Walsh, a Republican freshman from Chicago's suburbs. "The political powers will always try to get you to compromise your beliefs for the good of the team," he says, sitting in his congressional office near a quilt inscribed with the Constitution's preamble and the leather sofa that doubles as his bed. "The people didn't send me here to compromise."

Humility was once a hallmark of House newcomers, who were greeted with backwater committee assignments and indifference from their elders. Former House Speaker Tip O'Neill called newbies "bed wetters"; Sam Rayburn advised his freshmen that the way to "get along" was to "go along." But that adage assumed the rookies wanted to rise to power in the chamber. At least some of the 87 member House Republican freshman class of 2010 seem more interested in burning it down.

But while revolutionary rhetoric propelled many of the freshmen to Washington, some believe their success will depend on making peace. "We need to get back to where we can talk about compromise," says Adam Kinzinger, an Air National Guard pilot who represents a district southwest of Chicago. "It's a word that people find of demonized." For Republican newcomers, the cost-cutting fervor of the party's conservative base comes with risks, not least that voters who say they're ready for austerity will bristle when asked to relinquish programs and subsidies to which they've grown accustomed.

Like Walsh, Kinzinger unseated a Democrat in a district President Obama won in 2008. They're both eager to rein in spending and roll back the reach of government. But they have very different philosophies about how to take on the Democratic Senate and the Obama White House in the months to come.

For his part, Walsh relishes the challenge. "This will be a tension throughout the next two years among Republicans. I think it's healthy. This city ain't never seen something like this freshman class."

A Delicate Balance

ON A CHILLY FEBRUARY AFTERNOON, KINZINGER is standing in the Bloomington, Ill., headquarters of State Farm Insurance, holding a town hall with employees and executives in a dreary auditorium with industrial



lighting and gray-carpeted walls. Kinzinger is 33 and looks younger. He begins by taking his audience on a somber tour of the nation's balance sheet: the \$14 trillion national debt, the bloated deficit, 9% unemployment, a busted entitlement system. It's an appeal to the head more than the heart, a pitch that preps his audience for the pain he'll be delivering. "Cutting spending is not a decision I want to make," he says. "But we are going to ask you to make sacrifices."

Sacrifice is never an easy sell in politics, and while the reception is mostly positive when Kinzinger opens the floor for questions, the anxiety spills out. Some people are concerned that the new Republican majority is cutting too much too fast. Referring to Kinzinger's talk of rooting out Medicare fraud, one man asks whether federal budget cuts will undermine the cause. Kinzinger says employees will have to "be more effective," prompting a derisive laugh from his interrogator. Others demand to know why Kinzinger hasn't cut more; one challenges him to defend his recent vote to continue production

an expensive fighter-jet engine that the House successfully snipped. Another asks whether Kinzinger supports ending federal farm subsidies—a loaded question in a rural district that relies on agricultural largesse. Kinzinger dodges that one. Afterward, the questioner says he opposes farm subsidies but knows why the Congressman ducked the issue. "For this district, he said what he had to say."

Not that Kinzinger is a shrinking violet. As a student at Illinois State University, he ousted an incumbent Democrat on the county board. In the Air Force, he flew combat missions in Iraq and Afghanistan and also risked his life on a Milwaukee street in 2006 when he disarmed a man trying to stab a young woman to death.

Yet while Kinzinger rode to Congress on the Tea Party wave, his politics are nuanced. He is a solid conservative on taxes, defense and social issues. But as the son of a teacher, he also believes Washington has a role to play in education. He supported Congress's December extension of unemployment benefits. Since his January swearing-in, he has backed several programs House conservatives wanted to chop, including Amtrak subsidies and home-heating assistance for the poor. The conservative political group Heritage Action for America cites him as one of the six Republican freshmen least committed to cutting spending. Before he had cast a vote, a Tea Party organization released his personal contact information and urged

'At the beginning of a war, you don't reach across the aisle. You lay your marker in the sand.'

—JOE WALSH



Republican revolutionaries Walsh, far left, and Kinzinger are fellow freshmen with different approaches

members to warn him that they "won't tolerate politics as usual." And even as he watches his right flank, Kinzinger must be wary of his left one. The Democratic Congressional Campaign Committee recently began conducting automated phone calls in his district, criticizing Kinzinger's vote to cut housing aid for homeless veterans. "Nobody's going to be happy," Kinzinger says. "I think it's one of the hardest times in the country's history to be a Congressman."

That may help to explain why Kinzinger is selling comity at a moment when the market for confrontation runs hot, and why he's eager to avoid the budget brinkmanship that could lead to a repeat of the shutdowns of 1995 and '96. "We're determined to keep the government open," he says. "I hope that in the long run we can find areas of common ground."

Slashing and Burning

FOR JOE WALSH, THE CALCULATION IS SIMPLER. "Getting re-elected in two years is not a priority," he says. Walsh, 49, has vowed to serve a maximum of three terms, and he was never supposed to be in Washington in the first place. An upbeat venture capitalist, Walsh was considered such a long shot to win his district that the national party barely bothered investing money in his campaign. He ran an unpolished race marred by reports that his condo had fallen into foreclosure. But Walsh has channeled the national mood—"I've had enough!" his website proclaimed—

and eked out a victory by 290 votes.

Walsh reveres the framers, drops phrases like "Madison and the boys" and envisions himself as a "radically different" kind of Representative. "People come here because it's comfortable, and you're patted on the butt all the time and you feel like a king," he says. As a gesture of abstemiousness, he has declined the cushy health benefits granted to members of Congress, and he is among more than a dozen GOP freshmen who sleep in their offices. Many freshmen frame their zeal for cost cutting as an approach guided by morality, not partisanship. "We should be the conscience of the conference," says Representative James Lankford of Oklahoma, a former Christian summer-camp director. "We are not the anti-Obama class or the Tea Party class we're described as," says Representative Austin Scott of Georgia, whose peers elected him freshman class president. "What we are is committed to the next generation."

From the beginning, many of the House's conservative newcomers were wary of leaders like Speaker John Boehner, whom they saw as part of Washington's culture of deal cutting. And while they praise Boehner's hands-off style, freshmen suspicious that party leaders "might have been trying to co-opt us," as one puts it, recently led the class to recommit to a weekly meeting that had begun falling victim to hectic schedules.

When Republican House leaders presented a budget plan that would have cut \$32 billion in seven months—a deep whack,

but less than the GOP had pledged—it spurred rumblings of a freshman revolt. So Boehner bowed to their demands and boosted the figure to \$61 billion. Democrats say that figure requires unacceptable cuts in vital programs and have vowed to reject it, but the skirmish cemented the group's clout. "If we stick together on everything," Walsh says, "our leadership is screwed."

With the government set to run out of money on March 4, House Republicans and Senate Democrats began to look for a short-term solution. Boehner's refusal to offer a temporary extension of current spending levels was backed by the fresh men, who insisted they would not accept any measure without a down payment on the deeper cuts to come. "I will say no and I will shut down government," Walsh vowed to a group of his constituents in late February. Democrats caved, but the next battle already looms as the rebels make noises about voting down an increase in the federal debt limit this spring, even if it means the U.S. defaults on obligations to its creditors. Walsh estimates 20 to 25 freshmen believe, as he does, that the nation's fiscal woes are "so serious that this country needs to crash."

For all their bluster about changing Washington, in some ways these freshmen are old news. In 1994, the GOP snatched back the House after 40 years in the minority, led by 73 rookies with a comparable set of hopes and hang ups. "It's eerie how many similarities there are," says Linda Killian, whose book *The Freshmen* follows the '94 class through the 104th Congress. That group misinterpreted the scope of its mandate. Led by Newt Gingrich, they shut down the government over a budget impasse. But voters overwhelmingly sided with Bill Clinton when they went to the polls. Even the most conservative of the '94 group, Killian recalls, "only stayed true believers for about a year. Then the shutdown happened, and the realities hit."

Perhaps that's why some in the class of 2010, mindful of their predecessors' missteps, are ready to write a different ending. "None of us want to see the government shut down," Kinzinger says. "It's not good for us, and it's not good for the American people."

And yet for some *compromise* remains a dirty word. "I'm ready to make those tough votes," Walsh says. "I'm pretty certain the American people are with us." ■

ack in charge
anti-Gaddafi
forces regain control
of Brega





WORLD

Running with The Rebels Beating back Gaddafi's grab for a key Libyan oil town

BY ABIGAIL HAUSLOHNER/BRECA

Photographs by Yuri Kozyrev for TIME



ON MARCH 2, IN BREGA, AN OIL-refinery town 100 miles (161 km) south of Benghazi, the sound of gunfire and sirens filled the air as the forces of Free Libya tried to blunt a counterattack by those loyal to Muammar Gaddafi. Late in the afternoon, the front line was the local university, which Gaddafi's planes had bombed and where regime forces were surrounded by the rebels. Human Rights Watch director of emergencies Peter Bouckaert, who was at the front earlier in the day, told *TIME* that the rebels didn't really know how to operate rocket-propelled grenades when the fighting started. They were facing a reported 75 trucks mounted with antiaircraft guns. But the rebels had their own antiaircraft guns, even though they were just as inexperienced at handling them. By 5:45 p.m., word spread that the rebel forces had retaken the town. Celebratory gunfire filled the air. Then, about 20 minutes later, the Gaddafi regime launched an air strike on the celebration. The fight was not over.

Two weeks after the first demonstrations against Gaddafi's rule, Libya is rapidly sliding into a genuine civil war, with all of war's usual accompaniments. In Brega's hospital, nurses cried as ambulances brought in fresh loads of wounded and dead. Those displaced by the fighting, many of them foreign nationals, flocked to the borders—Tunisia in the west and Egypt to the east—and relief agencies warned of a looming humanitarian crisis.

Within the ranks of those trying to get Gaddafi and his cronies to leave, arguments took place about whether outside assistance would be welcome. Munir, 27, in the back of a pickup and armed with a rifle with Osama bin Laden's picture stuck to it, said he did not want foreign forces in Libya but wouldn't mind an air strike on Gaddafi. Or weapons sent to the rebels, for that matter.

No nation is openly contemplating such a course. But a connected world does not find it easy to watch fighting, killing and fleeing anywhere and do nothing. The revolutions in the Middle East, so far, have been resolutely homegrown affairs. For the first time, there is an inkling that they may not remain that way. ■



Detritus of battle Rebel fighters cheer as they pass a destroyed Libyan army vehicle



Victory, for now Rebels celebrate the retaking of Brega from Gaddafi's troops



In the line of fire Rebel fighters carry a wounded man to a hospital in Brega



Give us victory Rebels gather to pray before facing off against Gaddafi's troops





WORLD

Yemen: The Most Dangerous Domino

Home of an aggressive al-Qaeda franchise, Yemen is the latest Arab nation where young people have risen against an entrenched ruler. Would a change of regime there really be for the better?

BY BOBBY GHOSH/SANA'A



The man who wouldn't leave
Pictures of President Saleh hang in a shop in the old town of Sana'a

Photograph by Yuri Kozyrev for TIME

FLOUNDERING REGIMES ALWAYS blame their plight on enemies, real or imaginary: the more anxious the autocrat, the more fictional the foe. Egypt's Hosni Mubarak fingered the Muslim Brotherhood. Bahrain's King Hamad bin Isa al-Khalifa pointed to Iran. Libya's Muammar Gaddafi alternates between youth on hallucinatory drugs and al-Qaeda. And on March 1, Yemen's President, Ali Abdullah Saleh, his 32-year reign threatened by the popular uprising sweeping across the Middle East, accused ... No, you'd best hear this in his own words. "There is an operations room in Tel Aviv with the aim of destabilizing the Arab world," he said in a speech at Sana'a University. The operations room in question, he added, is "run by the White House."

But a day later, Saleh seemed much less defiant as he accepted a proposal to ease him out of office. A government spokesman told *TIME* the President had agreed to a five-point plan suggested by opposition parties—although the timeline for his departure remained vague. (Saleh also apologized to U.S. Deputy National Security Adviser John Brennan for insinuating that the White House had played a role in the fall of Arab regimes.)

It's not yet clear whether Saleh's deal with the opposition parties will satisfy antigovernment protesters who have been demonstrating across the country for two weeks running, enduring violent attacks by Saleh's thugs and riot police. They were unimpressed by the President's earlier promise not to stand for re-election in 2013: they want him out now. "There is no [deal] that will be acceptable," said Khaled el-Anesi, a human-rights lawyer and leader of the mostly young protesters. "The last word will come from the street." Saleh's political rivals—in recent days, their ranks have been swelled by defections from his party and the decision of major tribal leaders to abandon their longtime patron—now sense weakness and may push him to a swifter exit.

Saleh, 68, may simply have waited too long to make a bargain. He "does not have a lot of options left," says Gregory Johnsen, a Yemen analyst at Princeton University. "The problem is that he believes he can still act and negotiate from a position of strength when in fact the ground has shifted substantially under his feet."

For the Obama Administration, which is struggling with the consequences of the toppling of other Arab dictators, Saleh's predicament is especially worrisome. In

poverty-stricken Yemen (pop. 24 million) may be at the fringes of the world economy and Arab politics, but it punches well above its weight in global terrorism, as both a supplier of jihadists to holy wars abroad and a home for al-Qaeda's most ambitious franchise. Al-Qaeda in the Arabian Peninsula (AQAP) was behind many major terrorist plots uncovered in the U.S. over the past two years, including last fall's effort to use the global airfreight network to detonate bombs on board a Chicago-bound plane and the attempt to blow up a passenger jet over Detroit on Christmas Day 2009. The group also shelters the American-born preacher Anwar al-Awlaki, who has been in Yemen since 2004 and has been linked to several of these plots.

Saleh, who long ignored the terrorist threat, has recently been responsive to U.S. pressure to crack down: dozens of Yemeni soldiers have been killed in campaigns against terrorists. He has allowed the CIA to employ drone attacks against AQAP targets in Yemen, taking the blame when the strikes evoked popular outrage—a fact embarrassingly revealed by WikiLeaks in November. The Obama Administration doubled counterterrorism aid to \$150 million in 2010, and U.S. special forces are helping train Yemeni troops. Regime change in Sana'a could jeopardize that cooperation and potentially take pressure off AQAP—a point that Saleh's officials have been keen to make since the protesters began to press for his ouster. "If we go, this country will be wide open," one official tells *TIME*, asking not to be named. "People who want to support these so-called revolutionaries should stop and ask themselves if these kids can protect the world from al-Qaeda."

Our Wars Are Not Your Wars

DIRE WARNINGS BY A FLAILING REGIME should not be taken at face value, but there's good reason to worry that any new government in Sana'a may not take AQAP as seriously as Saleh has belatedly done. Yemen faces two other internal dangers: a Shi'ite rebellion in the north and a separatist movement in the south. Most Yemenis regard those as greater existential threats than any posed by AQAP. "Our priorities," says Ali Soufan, a former FBI counterterrorism official who has spent a great deal of time in Yemen, "are not necessarily their priorities."

That point was made more vividly by a pro-American Yemeni sheik I met in Sana'a last November. "I support al-Qaeda," Abdullah al-Jamili told me. He noted my look of surprise with a nod and

a smile of satisfaction. "Go ahead, write it down: I support al-Qaeda. They help me fight my enemies, so I support them." Photographer Yuri Kozyrev and I had heard this line before when, back in 2003, Iraqi tribesmen made common cause with jihadists to fight the U.S. military. Many of those Iraqis would eventually be murdered by al-Qaeda, and as al-Jamili plied us with bottles of nonalcoholic beer, we could visualize the same fate befalling this genial Yemeni.

Like the Iraqi sheiks, al-Jamili really has little in common with al-Qaeda. He seeks to bring development funds to his native province of al-Jawf, in northern Yemen, and until recently regarded Islamic extremism as a threat. But, just days before we met, al-Jamili had had a change of heart. Only a few days before, AQAP had pulled off a pair of spectacular attacks in northern Yemen. The targets were religious processions by a Shi'ite group known as the Houthis, who have been fighting a six-year rebellion against the Saleh regime and now control large parts of the north. In al-Jawf, those who don't support the Houthi cause face intimidation and extortion. So when suicide bombers killed nearly 60 Houthis, it won AQAP many admirers, including al-Jamili. "I respect al-Qaeda for one reason: they hit the Houthis," he said.

I pointed out that al-Qaeda is unlikely to have much respect for him. As a Shi'ite and head of an NGO that works with Western agencies, al-Jamili is, in jihadist eyes, twice deserving of execution. But he waved off my arguments. "That won't happen here," he said. "Yemen is different."

Unlike the sheik, Ramadan Mohammed, who works for an oil company in southern Yemen, had no illusions about AQAP. "They are people without souls,"

'I support al-Qaeda. Go ahead, write it down: I support al-Qaeda. They help me fight my enemies, so I support them.'

SHEIK ABDULLAH AL-JAMILI

he told me when we met at a fish market in the ancient port city of Aden. "All they want to do is kill and kill." But he was nonetheless critical of Saleh's recent efforts to crack down on the terrorists. The President, he said, should be concentrating on the demands of southern Yemenis, who were being denied a fair share of jobs and resources. The once separate countries of South Yemen and North Yemen merged amicably in 1990, but the union soured when Saleh's northerners began to monopolize political power and economic opportunity. The President put down an uprising in 1994, but a new separatist movement known as Herak has emerged. In comparison, Mohammed felt, AQAP was a trifling matter: "They are some crazy boys, and we're talking about the problems of men."

A State of Denial

BUT THOSE "CRAZY BOYS" HAVE A HISTORY of growing up to pose problems for men. Yemen has long been a recruiting ground for jihadists keen to fight in Bos-

nia, Iraq, Somalia, Afghanistan and Pakistan. They gained a reputation for being fierce soldiers. Osama bin Laden, whose grandfather was from the eastern region of Hadramaut, was said to favor Yemenis. (More than half the remaining 173 detainees in the Guantánamo Bay detention center are Yemenis.) But since the jihadists represented no threat to Saleh, he did little to stamp them out. Only after al-Qaeda's 2000 bombing of the U.S.S. *Cole* in Aden harbor did Yemen's authorities begin, fitfully, to move against the jihadists.

More recently, with Western military and intelligence agencies cracking down on al-Qaeda operations elsewhere, Yemen has emerged as a relatively safe haven and base of operations. Which means Yemeni jihadists no longer need to cross deserts and oceans to train and fight; they can wage holy war from home. And the plots against targets in the U.S. and Europe show they're as skilled as terrorist masterminds as they were as soldiers. "In terms of how sophisticated they are with tactics and their ability to execute operations outside

their own territory, [AQAP] today is where bin Laden was, say, in 1998," says a U.S. counterterrorism official. That was the year al-Qaeda announced itself to the world by bombing the U.S. embassies in Nairobi and Dar es Salaam, Tanzania.

The U.S. has been pressing Saleh to do more. But a pliant President is only as useful as the extent of his control over the country. Although Saleh's security forces have kept AQAP out of cities like Sana'a and Aden, they have little or no presence in large swaths of Yemen, especially in the east and north, where the jihadists are sheltered by tribal connections. There's no reason to believe Saleh's successor will be able to exert any more authority than he has in these areas.

It doesn't help that many Yemenis, including leading opposition politicians, believe the West is exaggerating the threat from AQAP and especially from al-Awlaki, whose online English-language sermons have no audience in Yemen. "Nobody had even heard about him until the Americans began to talk about him."

Rage against the regime Antigovernment protesters shout slogans during a rally outside Sana'a University





The ancient port city A man carries a shark in a fish market in Aden

says Ezzadin Saeed al-Ashabi, a human-rights activist. Still others say AQAP may be a threat to the U.S. but not to Yemen. And some simply accuse Saleh of exploiting U.S. paranoia over al-Qaeda to extract money and munitions. "Al-Qaeda is just a card in the hand" of Saleh, says opposition leader Ansaf Mayo.

Nothing to Show for 32 Years

IN SANA'A THE THREAT OF AQAP IS EASY to dismiss. There have been few terrorist attacks there; the city is safer than Islamabad, Kabul or Baghdad. A Westerner can

hail a cab in the street and be driven safely from the upscale suburb of Hadda across town to the ancient souqs of the old walled city. Sana'a would be a magnet for American and European tourists, Abubakr al-Qirbi, Yemen's Foreign Minister, tells me, if only the U.S. and European governments would withdraw their alarming travel advisories. At more than 7,200 ft. (2,200 m) above sea level, the city is cooler than most places in the Arab world—and more beautiful.

But it's also much, much poorer. Beggars—rarely seen elsewhere on the Arabian Peninsula—swarm cars at

intersections. At roadside restaurants with outdoor seating, they scramble to grab any leftovers before waiters can remove the plates. Unlike its neighbors, Yemen has little oil or natural gas. Many families survive on remittances from Yemenis working as manual laborers in wealthier Middle Eastern nations, and the global recession has shrunk the number of even those jobs. "If you're a young Yemeni, you don't have any reason for hope," says Nadia al-Sakkaf, editor of the English-language *Yemen Times*, which is frequently critical of Saleh. "There's no



'If you're a young Yemeni, you don't have any reason for hope. There's no reason to think your life will be better than your parents.'

NADIA AL-SAKKAF,
EDITOR, YEMEN TIMES

and unemployment remains astronomical: nearly half of Yemenis ages 15 to 29 are neither going to school nor employed.

The combination of a sclerotic regime and high youth unemployment alarmed U.S. officials even before the uprisings broke out in Tunisia and Egypt, where those problems were less acute. Back in November, the U.S. counterterrorism official told *TIME*, "What Yemenis are most upset about is, they have poor schools, health care, sanitation." At the time, the prospect of a youth-led revolt seemed remote. The official was concerned that such conditions were ideal for incubating jihadi sentiments and acknowledged that simply increasing counterterrorism assistance to the Saleh regime would not be enough.

In 2010, U.S. humanitarian assistance to Yemen more than doubled, to \$42.5 million. Yemeni officials wanted more, much more. Foreign Minister al-Qirbi pointed out that "every dollar we spend on counterterrorism is a dollar we're not spending on some thing else." But giving more to the Saleh regime was problematic: according to Transparency International, Yemen is one of the most corrupt places on the planet. Saleh's critics point out that the counterterrorism forces that receive substantial U.S. funding are controlled by the President's family—his son Ahmad Ali and nephews Yahya and Ammar—who also have extensive business interests. So the Obama Administration began to nudge Saleh toward making his government more transparent, less corrupt. On a trip to Sana'a in January, Secretary of State

reason to think your life will be better than your parents."

And there are plenty of young Yemenis: 74% of the population is under 30 years old, an astonishingly high proportion even by the standards of the Arab world. In recent years, Saleh's economic planners have woken up to the challenges posed by the youth bulge and have sought to goose the economy into creating jobs. They've tried, for instance, to capitalize on Sana'a's cooler temperatures to market it as a place for Arabs from other countries to build summer homes. But investment has been fitful,

Hillary Clinton pressed Saleh to drop his plans to amend the country's constitution to enable him to run for office again in 2013. In time, U.S. officials hoped, Saleh could be persuaded to give his opponents a greater voice.

But young Yemenis weren't prepared to wait that long. Protesters began to gather at Sana'a's University shortly after the fall of Tunisia's Zine el Abidine Ben Ali in mid-January. By the time Egypt's Mubarak fell, a month later, Yemenis were assembling for demonstrations in most major towns and cities. Even the Houthis staged peaceful marches in the north. If Saleh hoped to brazen it out, defections from his General People's Congress party made that impossible. The unkindest cut of all may have been the desertion of Hussein al-Ahmar, a leader of the Hashids, Yemen's most powerful tribal confederation. His father Abdulah had been speaker of Yemen's parliament and long a Saleh ally. Now Hussein has called on "all honorable men" to quit what he's termed the "congress of corruption."

Whether Saleh goes at the end of the year or succumbs sooner to the protests, al-Ahmar's tribal affiliation will make him a potential successor. But his long association with the regime won't endear him to young Yemenis. Nor will they easily take to the main opposition party, Islah, which includes hard line Islamists. U.S. officials will not have been reassured to see Sheikh Abdul Majid al-Zindani, an influential radical cleric and onetime mentor of bin Laden's, joining the protests recently.

Saleh's departure would also probably embolden both the southern separatists and the Houthis in the north. That, in turn, could set off alarm across the peninsula: Sunni-majority Saudi Arabia, already anxious about the Shi'ite uprising in Bahrain, regards the Houthis as dangerous heretics. Northern Yemenis say Saudi forces have on occasion crossed the border to strike at Houthis. And then there's AQAP, which has called for toppled Arab regimes to be replaced by Islamic rule.

The multitude of challenges facing anyone seeking to govern the country explains why Saleh once likened running Yemen to "dancing on the heads of snakes." His successor had better have nimble feet. —WITH REPORTING BY MASSIMO CALABRESI/WASHINGTON AND OLIVER HOLMES AND ERIK STIER/SANA'A ■

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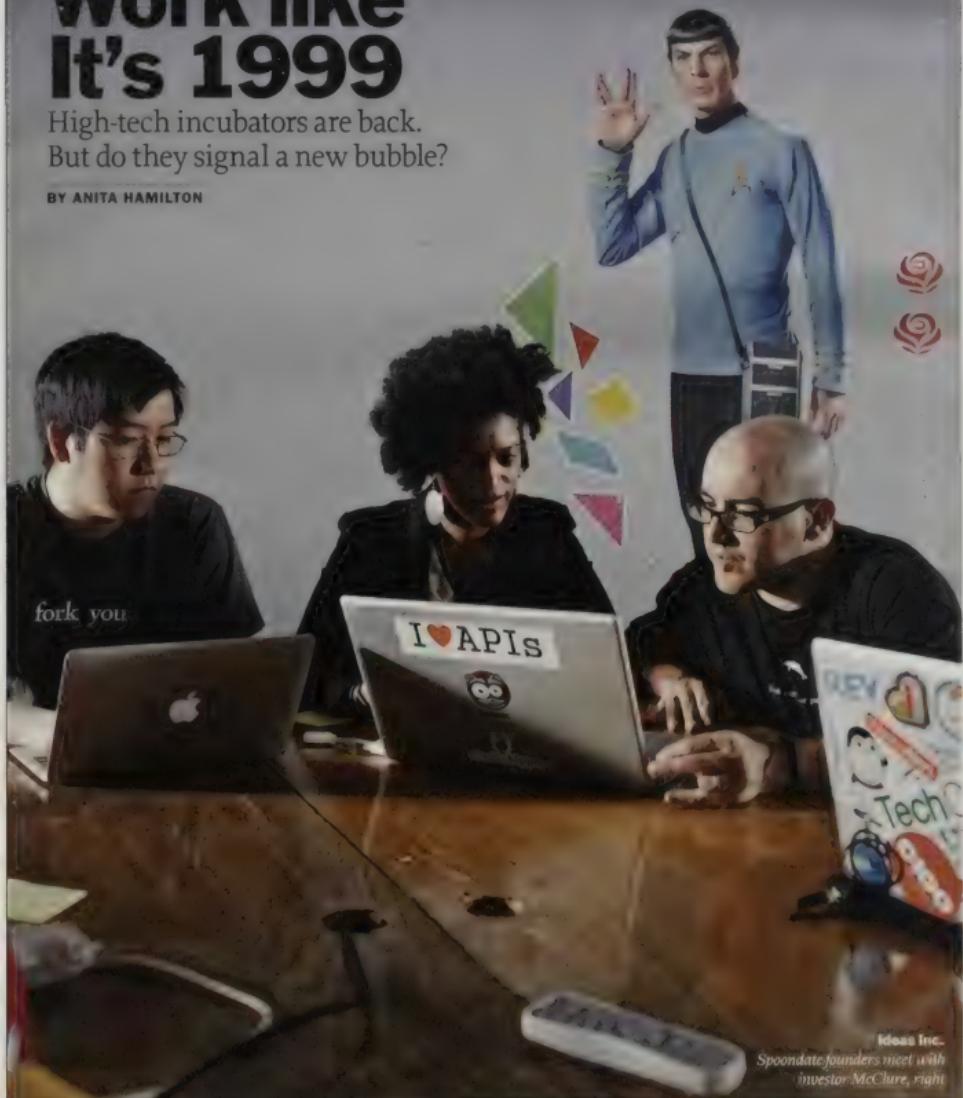
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WHO
GET IT

ON THE TOP FLOOR OF AN UGLY office building in Mountain View, Calif., a dozen entrepreneurial dreams are taking flight. Raissa Nebie, a 31-year-old former investment banker from Ivory Coast, is putting the finishing touches on Spoondate, her top-secret dating site for food lovers. Andrew Maguire, a recent Columbia University grad (who talks really fast), is racking up listings for InternMatch, a Web service that pairs college students with paid internships. The airy space, with few walls, a panoramic view of Silicon Valley and a gaggle of

venture it backs. TechStars, which was founded in Boulder, Colo., gives companies just \$18,000 over a three-month period before showing entrepreneurs the door. The old-school incubator Idealab (founded by serial entrepreneur Bill Gross back in 1996), on the other hand, invests a minimum of \$250,000 and keeps a 70% share of each firm.

But the idea is the same: accelerator owners (who include former entrepreneurs, financiers and engineers) offer seed finance and nurture early-stage start-ups with tips on everything from how to

founder Dave McClure, 44, a former PayPal executive and longtime investor in Silicon Valley start-ups. Thanks to lower costs for things like servers and programmers, he says, "we are able to take a larger number of bets with a much smaller amount of capital."

Incubators are spreading their money around as thinly as possible for good reason. The tech landscape is changing so fast—thanks to the rise of social media, smart phones and the iPad—that investors who want a piece of the next big thing must hedge their bets. "It's awfully hard to pick winners or losers at this stage," notes equity analyst Colin Sebastian of Lazard Capital Markets. For every 10 investments, chances are only one will prosper.

But the proliferation of accelerators raises the question of whether a new dotcom bubble is brewing. Social-media giants like Facebook, Twitter, Groupon and Zynga are grabbing headlines for their astronomical valuations before even going public. And lots of the newbie businesses being funded by accelerators seem to have dubious prospects. Perhaps the most glaring example is the \$150,000 recently offered to each of 43 start-ups currently sponsored by Y Combinator in Mountain View: the outside investors who put up the money had never even met with most of the individual companies they are now backing. "It's very cool to be an angel investor, and checks are being written willy-nilly," notes investor Chris Sacca.

Even though fewer total dollars are at stake per company, the old "spray and pray" investment mentality doesn't seem to have changed much since the go-go 1990s. "There is too much capital chasing too few good ideas, and that is creating a bubble," notes economist Umair Haque, author of *The New Capitalist Manifesto*. Many of the new sites being hatched feel like reruns of the first dotcom boom, even if they operate on smaller budgets. Y Combinator's latest start-up, for example, is a browser-based fax service called HelloFax. Nifty? Yes. Visionary? No.

Perhaps the real problem is impatience. "Investors want that return in a very short period of time. They expect it tomorrow, but it can take 10 years to happen," says Sebastian. Losses suffered during the economic downturn only amplify that urge to get a quick hit now, even if the ideas aren't really game changers. But considering the rate at which new accelerators keep cropping up, there are few signs that anyone is ready to slow down.



No-frills funding Entrepreneurs share office space at 500 Startups Accelerator

first-time CEOs like Maguire and Nebie, is home to 500 Startups Accelerator, the latest high-tech incubator.

If all this seems a bit 1999, it is. Technology incubators, which invest in and nurture new tech businesses, proliferated during the last dotcom boom but then got a bad reputation in the bust, when firms like CMGI and eCompanies lost billions of dollars on countless start-up failures whose names have long been forgotten.

That's one reason new incubators like 500 Startups call their businesses accelerators instead. These new accelerators tend to invest less money in each start-up and receive a smaller stake of the company in exchange. For example, 500 Startups trades office space, mentoring and up to \$100,000 in capital for 5% of each new

fine-tune their user interfaces to how to reach their target customers in order to boost chances for success. "It's not like 1999, where anybody with a business plan could get \$10 million," notes Peter Relan, whose YouWeb incubator in Mountain View funds just two entrepreneurs a year with \$100,000 each. "You want them to be hungry," he adds.

Semantics aside, it's clear that technology incubators are back in vogue. Although there are no reliable statistics on how many have opened in recent years, new ones are announced almost weekly. And they're not just in Silicon Valley. They're popping up in Chicago, New York City, Shanghai, even Bangalore, India. "There has never been a better time for Internet start-ups," says 500 Startups



A Bordeaux Bubble. China has gone crazy for claret. But will the Middle Kingdom's boom turn to bust?

BY CHRIS REDMAN

LATE LAST YEAR, AT A SOTHEBY'S AUCTION in Hong Kong, an anonymous Chinese phone bidder paid \$232,000 each for three bottles of 1869 Château Lafite Rothschild, a Napoleon III-era wine that was already maturing nicely when the Boxer uprising stymied European imperial ambitions in China. That price smashed the previous record of \$156,450, paid in 1985 by the Forbes publishing family for a 1787 Lafite bottled for U.S. Founding Father Thomas Jefferson. Gasps were heard in the Hong Kong auction room, but what really shocked the wine cognoscenti was the \$70,000 paid at the same auction, not for another rare trophy bottle of Bordeaux but for a case of 2009 Lafite—a wine so young it has yet to be bottled. Prior to the auction, the much hyped 2009 vintage was being priced at around \$18,000 a case. So the \$70,000 Hong Kong hammer price represented a whopping increase of just under 300%.

Not since the winter of 1636—in the midst of tulip mania in Holland, where for a time bulbs traded for the price of houses—has the price of a perishable product escalated so dramatically. "Overnight," says Jack Hibberd, research manager at the online fine-wine exchange Liv-ex, "long term target prices increased to levels people didn't imagine were possible." Short term too: thanks to Lafite's halo effect, wine merchants around the globe are already marking up prices of Lafite's main Bordeaux rivals, including Latour, Margaux, Mouton Rothschild and Haut-Brion. The index of 100 top wines maintained by Liv-ex rose 40% in 2010.

Shades of a China-driven Bordeaux bubble? Perhaps. "Before the Chinese came along," says Robert Sleigh, Sotheby's head of wine for Asia, "the market was quite capable of absorbing all the first-growth wines. But now you have a major new player in the equation." Nobody is quite sure why China's megarchis crave Bordeaux

Luck be a Lafite Prices for the presold 2008 vintage jumped 17% overnight after Lafite announced the bottles would be embossed with the Chinese symbol for the number 8

and Lafite in particular. One fanciful theory is that the King of Thailand credits Lafite with aiding his recovery from a bout of ill health; another is that *Lafite* sounds like the Chinese word for *prosper*. The truth is probably more mundane. "Lafite is easy for the Chinese to pronounce," says Sleigh. The Lafite branch of the Rothschilds has one of the few château websites in Chinese. Credit, too, the marketing skills of the folks at Lafite. Last October, they let it be known that bottles of their 2008 vintage would be embossed with the Chinese symbol for the number 8, which is considered lucky. Prices for the presold vintage jumped 17% overnight.

According to Robert Beynat, CEO of wine-trade show Vinexpo, Asian wine consumption, led by China, is growing at four

'Before the Chinese came along, the market was quite capable of absorbing all the first-growth wines. But now you have a major new player in the equation.'

—ROBERT SLEIGH, SOTHEBY'S

times the global average and will make China the world's seventh largest consumer by 2013. Economic reverses in the region may yet sap demand, and counterfeiting could undermine confidence in the market. But for now, the main fear is not that Chinese demand will cool but that China will price the rest of the world's wine lovers out of the top end of the market. Last year, more fine wine was sold in Hong Kong than in New York City and London put together, and by some estimates 1 in 4 bottles of the world's greatest wine is now in Chinese hands. No wonder the Chinese state-owned investment company CITIC is partnering with Lafite to plant vineyards in Shandong province with an eye to future growth in demand. Whether the claret craze will last is anyone's guess. As Dutch growers can attest, tulip bulbs change hands these days for a pittance. ■

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Strategic Singapore.

The city plans to boost its population 20%—and has a precise road map of how to get there

BY NEEL CHOWDHURY

FOR DECADES, SINGAPORE HAS BEEN tackling the growing pains of a booming Asian city. Fearful that it will become overrun with vehicles, the government has damped demand by making them frighteningly expensive. The price of a BMW 320i sedan, for example, is around \$140,000, more than three times its average U.S. sticker price, in part because a buyer has to fork out about \$55,000 for a "certificate of entitlement." To lessen its dependence on water piped in from its sometimes

it builds on itself—and has made money and media two of its priorities. As for the former, Singapore is rapidly becoming the Switzerland of Asia even as the Switzerland of Europe clamps down on its banks, which were running afoul of U.S. tax law. Singapore, while a signatory to international banking covenants, has attracted billions of offshore dollars into its banking system, in part by offering Swiss-like confidentiality. Near its airport sits FreePort, where the wealthy can store, buy and sell

panies like Procter & Gamble, which is building a \$250 million innovation center.

This projected growth is going to be a handful to manage, so Singapore has turned itself into a laboratory, teaming with MIT to form the Singapore-MIT Alliance for Research and Technology (SMART) center to examine the "future of urban mobility" as well as other growth issues. Its purpose? "To study how cities work and how they can work better," says Rohan Abeyaratne, director of the center. Funded by Singapore's National Research Foundation, SMART has drawn nearly 600 researchers.

"Smart apps," downloaded onto commuters' mobile phones, will be the first fruits of the center's research. That's already happening in other cities, but making the lives of commuters easier is only a part of Singapore's plan. As it has done with water conservation—a clutch of innovative Singapore-based companies in that field are



Street smart
Managing traffic at the Intelligent Transport Systems Centre, far left. The light from an electronic toll collector, left

prickly neighbor Malaysia, the city-state has made its gutters, drains and rivulets a vast basin to catch rainfalls. To curb runaway real estate prices, the government recently slapped higher taxes on speculators who try to flip properties and placed limits on loan amounts for second homes.

These kinds of policies would be denounced as antigrowth or intrusive in the U.S. In Singapore, they represent part of an almost scientific approach to growth. Last year, Singapore's economy grew 14.5%. Direct foreign investment increased 123%, to \$37.4 billion. As the country attempts to lift its population by a fifth over the next two decades, from 5.08 million to 6 million, it is linking with the Massachusetts Institute of Technology (MIT) to devise ways to manage its expansion—knowledge it plans to export to other cities.

Singapore is a proponent of clustering—attracting an entire industry segment so

artworks and other precious items tax-free, no questions asked.

Meanwhile, companies are renting space in Mediapolis, a "media ecosystem," as the government calls it, that broke ground Feb. 11. It will include digital production and broadcast facilities and soundstages for content creators, building on an existing animation-industry cluster. Nearby are two other developments, Fusionopolis and Biopolis, which are hubs for engineering and biomedical clusters. Singapore has also recently attracted com-

doing business in China and the Middle East—Singapore aims to profit from its growing expertise in urban mobility by exporting the apps to traffic-crippled cities like Bangkok, Mumbai and New York.

"They [Singapore] see an enormous potential market in the future for urban transportation solutions," says Amedeo Odoni, the leader of the MIT-Singapore urban-mobility team and a professor of engineering at the university. "The game plan is to become one of the originators of ideas for China, India and the rest of the world. It's a smart strategy."

Singapore is even shedding its fear-somewhat dowdy reputation. The city that banned chewing gum has become more liberal in its approach to art and culture and has allowed two multibillion-dollar gambling resorts to be built. Just don't expect Las Vegas-style decadence. In Singapore, even the fun is well managed. ■



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The Art of Alabama,
a column of
castaway material,
by Thornton Dial

52 POP CHART / 54 ART Thornton Dial / **58 TECH** Google's tweaks / **61 TUNED IN** A food show with grit / **62 DESIGN** Logo logic / **64 BOOKS** Page turners / **65 MOVIES** CGI Depp

Pop Chart



GOOD WEEK / BAD WEEK

Rodarte

Natalie Portman accepted her Oscar in a gown by the label and thanked the designers during her speech.

John Galliano

Christian Dior's creative director was fired March 1 amid allegations of anti-Semitic outbursts.



DESIGN One of the architecture entries in London's Design Museum's Brit Insurance Designs Awards (which are decided on March 15) is this installation created entirely out of tape. Even Charlotte never spun a web this sophisticated.

MUSIC

Alderman Rhymefest?

What's the most interesting part of Grammy-winning rapper Che "Rhymefest" Smith's bid to become Chicago's 20th Ward alderman? Is it his list of misdemeanor convictions? His 2006 meeting with now British PM David Cameron? The fact that he once beat Eminem in a freestyle rap contest? No, the most interesting thing about Rhymefest's bid is that he just might win; he will face incumbent Willie Cochran in a runoff April 5.

SPORTS Strike!

According to the U.S. Bowling Congress, more-advanced balls and lanes have led to a 59-fold increase in the number of perfect games rolled in bowling leagues from 1970 to 2010. The rental shoes? Still not so good.

VERBATIM

Charlie Sheen, Unplugged

It was hard to pick our favorites among the colorful remarks made recently by the *Two and a Half Men* star. Hard but not impossible.

Charlie I have
done to this
woman in my
years... I might
say I would have
done with my
face bouting her.

'Dying is
for amateurs.'

'They picked
a fight
with a warlock.'



'I'm tired of
pretending like I'm not
special. I'm tired of
pretending like I'm not
butchin', a total
tereaking rock star from
Mars.'

'I'm on a drug.
It's called Charlie
Sheen. It's not
available. If
you try it once,
you will die.'

Russia's
drinking
problem
may have
a simple
solution



DRINK

Russia: O.K., Fine, Beer Is Alcohol

Russia is seeking to officially declare beer—currently classified as a food—an alcoholic drink, a designation that would allow it to be taxed and restricted. The move is an attempt to curb alcoholism; beer sales have tripled in the past 15 years.

TELEVISION
Dancing Card Filled

The announcement of the lineup for ABC's *Dancing with the Stars* is always an opportunity to contrast the new season's participants with casts gone by. And they are always remarkably similar. The latest "stars" to fill the show's archetypal slots include:

THE LEAD OF AN ICONIC '80S MOVIE
The Karate Kid's Ralph Macchio
THE SUPERMODEL
Peta Nemcova
THE FALLEN STAR
Kirstie Alley
THE FORMER ATHLETE
boxing legend Sugar Ray Leonard
THE INDEFATIGABLE REALITY STAR
former Playboy model Kendra Wilkinson

MOVIES
Speech Impeded

The R-rated version of *The King's Speech* won Best Picture, but to draw a larger audience, the Weinstein Co. is proceeding with a less profane PG-13 rerelease. Of course, if you want to see Colin Firth being polite, just watch *Pride and Prejudice*.



All it took to convince Snooki to drink from the mysterious bottle was a label that said "Drink Me."



Due to a wardrobe crisis, The Situation spent half his court appearance shirtless.



Snooki was one of the first Latinos to play drums and bass on her bongos.

BOOKS

Snooki in Wonderland

What if falling down the rabbit hole led you to Seaside Heights, N.J.? Phil Edwards gives Lewis Carroll's classic *Alice in Wonderland* a Jersey Shore spin with his e-book *Snooki in Wonderland*, featuring Snooki as Alice, the Situation as the Mad Hatter (a.k.a. the Mad Abber), and the rest of the cast fist-pumping their way through the children's tale. *Snooki* is available for purchase on the Kindle for 99¢—a pittance for the pleasure of reading "Off with her pouf!"



MUSIC

What Makes a Video Gaga?

Lady Gaga's music videos come with certain expectations: they'll be long, they'll have a film reference or two, and they'll feature Gaga dancing in her underwear. The clip for her latest single, "Born This Way," follows suit. Clocking in at seven-plus minutes, the video begins with a sequence set to the opening score from Alfred Hitchcock's *Vertigo* and has Gaga cavorting in a bra and panties. At this point, the weirdest thing she could do is wear some pants.

TOYS

Slimmed-Down Spuds

Carbs tend to get a bad rap, so it's no surprise that Hasbro has unveiled a thinner (though still pear-shaped) Mr. and Mrs. Potato Head. Also, the taters will don pants for the first time—which puts them a step ahead of Lady Gaga.

The new, slimmed-down Mr. Potato Head is a little more...

**5 THINGS YOU DON'T HAVE TO WORRY ABOUT THIS WEEK**

1. Not having an intimate, behind-the-scenes look at Bristol Palin's life. Her forthcoming memoir claims to offer an "intimate, behind-the-scenes look at her life."

2. Tom Cruise's masculinity. He'll be starring as a heavy metal singer in the film adaptation of Broadway's *Rock of Ages*.

3. The state of Paul McCartney's art. He is working with the New York City Ballet

4. The banning of violent video games. Unless you live in Australia, which just restricted the latest version of *Mortal Kombat*.

5. Loud junk-food packaging. SunChips has designed a quieter, compostable bag.

MOVIES
Speech Impeded

The R-rated version of *The King's Speech* won Best Picture, but to draw a larger audience, the Weinstein Co. is proceeding with a less profane PG-13 rerelease. Of course, if you want to see Colin Firth being polite, just watch *Pride and Prejudice*.

Outside the Lines. In a potent retrospective, self-taught artist Thornton Dial gets his due

By Richard Lacayo



Stars of Everything, 2004

AMERICAN ARTISTS DON'T HAVE TO BE licensed—a good thing, that—but they do tend to be credentialed. The art world is bristling with degrees from Yale and Cal Arts and hundreds of other academies. In that world, Thornton Dial stands out. He has no formal training and very little schooling of any kind. To be blunt, he can't read or write. But sometime during his long years as a metalworker in Alabama, he turned to making what he at first simply called "things," because it would be a long time before he, or anybody else, realized that those things are better described as art. And not just that, but some of the most assured, delightful and powerful art around.

Dial's work has sometimes been described as outsider art, a term that attempts to cover the product of everyone from naive painters like Grandma Moses to institutionalized lost souls like Martín Ramírez and full bore obsessives like Henry Darger, the Chicago janitor who spent a lifetime secretly producing a private fantasia of little girls in peril. But if there's one lesson to take away from "Hard Truths: The Art of Thornton Dial," a triumphant new retrospective at the Indianapolis Museum of Art, it's that Dial, 82, doesn't belong within even the broad confines of that category. The show—which is on view in Indianapolis through Sept. 18, then travels to New Orleans; Charlotte, N.C.; and Atlanta—is a sign that after more than two decades in which his work has settled gradually into the collections of a number of major museums, he may at last be achieving a kind of cultural escape velocity. What he does can be discussed as art, just art, no surplus notions of outsiderness required.

When I asked Dial recently what led him to

make his work in the first place, he gave a sideways answer: "I put it out there for somebody to like." People do. People will.

Up, Up and Away

THIS IS NOT TO SAY DIAL'S BACKSTORY WON'T always set him apart from other prominent African-American artists like Martin Puryear, Kara Walker, Glenn Ligon and Lorna Simpson, who are university- and art-school educated. He was born in 1928 in a cornfield in rural Sumter County, Alabama. His mother, an unwed teenager from a sharecropper family, gave him up to be raised by female relatives. Working in the fields by the age of 6, Dial got little in the way of a formal education. When he left school for good at the age of 12, he was still in the third grade.

It was at about that time, after the death of his great grandmother, that Dial and his younger half brother went to live with another relative in Bessemer, a midsize industrial town near Birmingham. He worked there in a succession of jobs until he found the one he would hold for years, as a metalworker with the Pullman railway-car company. After starting a family of his own, he began to produce "things" of all kinds at home. Some were practical, like fishing gear, grave markers, decorative fences and furniture. Some were more explicitly art objects, like animal sculptures. All were made with scavenged materials: rope, metal, plastic, tin. "I started picking up stuff," he says. "Beer cans, plastic bottles. I was making stuff to sell." He made a lot of it—until it was piling up everywhere in the house he shared with his wife, Clara Mae Murrow and their five children. "My wife told me, If you don't get this junk out of the

Portrait of the artist

Dial, right, at home near Bessemer, Ala. "Art," he once said, "is strange-looking stuff."





The Beginning of Life in the Yellow Jungle, 2003



High and Wide (Carrying the Rats to the Man), 2002

house, I'm going to leave you," he says.

In 1981 the Pullman plant shut down, and Dial, in his early 50s, found himself out of a job. But as his son Richard says, "It was probably the best thing that ever happened to him. He kept getting up at 7, going into the backyard and making something." Another self-taught artist, Lonnie Holley, brought Dial to the attention of Will Arnett, a white Atlanta-based collector focused on the work of vernacular Southern black artists. Dial credits Arnett with making him think of himself as an artist, helping his work find its way into the collections of people like Jane Fonda and launching him into public view.

Sometimes it was too public. In November 1993, when Dial was the subject of two simultaneous one-man museum shows in New York City, Morley Safer did a segment on *60 Minutes* that asked whether Arnett had questionable financial dealings with the artists he collected. Dial, who appeared on camera briefly, felt that Safer's questions for him were condescending and that the broadcast led museums and collectors to shy away from his work at the

very moment it had begun to take off. If it did, the Indianapolis show—drawn largely from the collection of Arnett's Souls Grown Deep Foundation, which has right of first refusal on Dial's work—is a sign that momentum is back in his favor.

Though he makes work on paper—drawings and watercolors with a gleeful, springing line, like *African Athlete*—Dial's main medium is assemblage, mostly three-dimensional wall pieces made by gluing or welding found materials and painting over and under them. What that means is that he arrived on his own at a practice that, in terms of conventional art history, had its origins a century ago in the welded sculptures of Picasso and Georges Braque and the collages of Kurt Schwitters, then came back strongly after World War II, when Joseph Cornell, David Smith, Isamu Noguchi, Louise Nevelson and Cy Twombly all took it up. No one went at assemblage with more devilish abandon than Robert Rauschenberg. Dial's near contemporary, whose combines of the 1950s and '60s could make a persuasive ménage à trois out of a stuffed goat, a rubber tire and a tennis ball.

When Dial came to assemblage, he was unaware of any of this history. He had never set foot in a museum. What he had by way of guidance were the traditions of African-American folk art all around him, in which combining scrap-heap materials was standard practice long before Picasso ever picked up a blowtorch. In the show's catalog, Joanne Cubbs, the curator who organized "Hard Truths," reminds us that just like Dial, Rauschenberg, who grew up in the largely black town of Port Arthur, Texas, was influenced by the "yardshow" assemblages he saw as a boy. The memory banks of small-town African America, yardshows were pieced together from things discarded without losing their residue of personal history, the kind from which the larger varieties of history are built.

History is very much the point here. Dial spent most of his life in an Alabama that was brutally segregated, a battleground of the civil rights movement where the Klan was a force to be reckoned with and Governor George Wallace was the hero of diehards everywhere. Dial's work is a memory bank too, an attempt to come



African Athlete, 1998

to grips with the struggles of black people over the years and the predicaments and ragged glories of American life generally.

With that as his goal, Dial wants his art to be legible without being obvious. So he operates by developing images with dense but graspable layers of reference. In some works, he lets tigers symbolize the strategies black men and women use to get by. But those coiled, slinky cats may turn out to be made from carpet remnants—a reminder that for all their wiles, these beasts get stepped on. In *The Last Day of Martin Luther King*, from 1992, the tiger appears again, as a stand-in for King, but now it's made from painted-over mop strings, so it simultaneously refers to the cleanup work to which so many African Americans were restricted and to King's great historical task of cleansing the stain of racism from American life.

When Dial is at his best, he even manages to inject new life into one of the most clichéd images of postwar art. Mickey Mouse, who usually gets dragged into service as a symbol of the trivial strain in American culture, does much more complicated double duty in *High and Wide*

(*Carrying the Rats to the Man*). A stuffed Mickey doll, the white portions of its face smeared in black, hangs in chains in the midst of a wire and rod construction meant to signify a slave ship with goat hide sails. With one compact gesture, Dial invokes the atrocity of the Atlantic slave trade and the minstrel-show culture the descendants of those slaves adopted to entertain and outwit their oppressors. It would all be funny if the laughs didn't come so hard.

In a piece like that, Dial claims a place within the line of history painters stretch-

ing back to the 18th and 19th centuries. He doesn't try to call on their visual high rhetoric—who would anymore?—but at the same time, there's very little in his work you could call folkloric. There's no easy charm, no appeal to whatever is left of our collective fantasy about country innocence. But maybe because he operates free of the standard postures of contemporary art—irony being the most obvious—what he can do is reach, when he wants to and without apology or ironic distance, for euphoria. It's hard to imagine another contemporary artist attempting, much less getting away with, the sincere effulgence of *The Beginning of Life in the Yellow Jungle*, Dial's lush take on the first stirrings of the world.

Rauschenberg once said, "Art doesn't come out of art." What he meant, and Dial would surely agree, is that it comes out of life. If anything, art is a word so contaminated these days by hype, misunderstanding and sales talk, it's tempting sometimes to think we should try doing without it. Until you remember that it's the one word spacious enough to contain what Dial does.

Dial's work is a memory bank, an attempt to come to grips with the struggles of black people

Tech

Google Search

BEFORE

Google Search

AFTER

Engine Overhaul. Google takes steps to downgrade shoddy content in search results

By Harry McCracken

GOOGLE'S ALGORITHM—THE LEGENDARY, largely mysterious technology that determines search results—is good. It's good for the people who quickly find useful stuff on the Web. It's good for the sites they find. And it's very, very good for Google, which handles two-thirds of all searches in the U.S. and reaps billions of dollars from the ads it displays.

Lately, though, some Google watchers have been wondering if the algorithm—which is supposed to measure a site's popularity and relevance by tallying factors like links and key words—is being gamed too often. They carp that pages with a smattering of questionable content and a ton of related advertising are showing up at the top of search results—say, a few shoddy paragraphs about gas grills wrapped in paid links to gas-grill merchants.

On Feb. 24, Google struck back. U.S. users started getting a major update, one designed to punish low-grade pages by pushing them down in search results. According to Google, 12% of all searches will be affected by the changes. Although Google remains characteristically tight-lipped about the move, Amit Singhal, one of the algorithm's keepers, acknowledges that months ago, the company had noticed more sketchy pages slipping into results. He told me the new tweaks don't target particular sites or

types of content. Nor are they unique: Google experiments with 6,000 modifications a year and puts 500 of them into effect. "Scientific measurement shows our search quality [was already] the highest it's ever been," Singhal says.

Some of the sites that will suffer offer nothing but swiped content or gibberish. More unclear is the fate of material produced by content farms such as Demand Media (parent of eHow) and Yahoo!'s Associated Content. These controversial companies mass-produce articles tailored to match Google's top queries, and they're not consistently terrible; they're just inconsistent. Small wonder: they crank out so many items for so little money that the quality is spotty at best. Associated Content, for instance, recently sought a 300-word report on what it's like to have "Tommy John" elbow surgery. It offered up front pay of \$8.

It's too early to gauge the lasting impact of the latest update. (According to one independent analysis, Associated Content's overall rankings have tumbled, but eHow's have actually improved.) It's already obvious, however, that Google has every reason to fiercely protect the algorithm's long-standing reputation for excellence. If consumers start to regard it as anything less than good, it won't be good for anybody—except other search engines. ■

Search Insurgents
These engines use smart strategies for sidestepping spammy results

Blekko
This start-up has banned from its results the sites users complained about the most. And its "slashtags" let visitors restrict searches to handpicked lists of high-grade sites

DuckDuckGo
A minimalist upstart with just one full-time employee, it molds results from over 30 engines, aims to weed out spam and doesn't store personal info about its users

Topsy
Rather than scour the whole Web to deduce what's popular, Topsy analyzes links shared by influential Twitter users. For newsy topics, it's an effective end run around online junk

SEARCH SPECS

126

BILLION

Number of searches done on Google sites in 2010

6,000

Number of modifications to its search algorithm tested by Google annually



500

Number of modifications Google carries out per year

90%

Decline in search ranking of the aggregator site FindArticles.com since the new algorithm went into effect, according to analysts

GECKONOMICS



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Tuned In

NO RESERVATIONS
Travel Channel
Mondays, 9 p.m., E.T.



Guilty Pleasure. Anthony Bourdain explores the serious side of food tourism

By James Poniewozik

ANTHONY BOURDAIN HAS EATEN A LOT OF hard-to-swallow stuff in his day: duck embryo, goat head, a still beating cobra heart. In the new season of his Travel Channel show, *No Reservations*, he finds himself consuming that most piquant of delicacies for the first-world traveler in the third world: shame.

The chef, author and *Top Chef* judge is visiting an open-air restaurant in post-earthquake Haiti. There are pots of stew bubbling and, on every table, hand sanitizer to ward off cholera. As he sits down to callaloo and chicken creole, a crowd of kids gathers and stares. "One plate of food would be a good day for any of them," Bourdain says. "And here, I am painfully aware, I'm eating three."

Bourdain and his producers buy out the stand to feed the kids. But the feel-good decision turns feel-bad as fights break out. "Hungry people everywhere behave like hungry people," he narrates. "Because we thought with our hearts and not with our heads, it all turned to s---."

It's not a typical food-show moment, but Bourdain isn't interested in typical food-show stories. His memoir *Kitchen Confidential* exposed the unsavory side of restaurants; *A Cook's Tour* was a gonzo travelogue of gastro-extremism.

No Reservations is a wry, street-level look at how a country's food expresses its culture and sometimes its seedier side.

In recent years, the show has focused on more posh getaways—Paris, Rome, Dubai. This year Bourdain is turning to troubled spots: Haiti, slipping out of the world's memory; Cambodia, where a dish of pepper crab is a reminder of the killing off of ethnic Chinese by the Khmer Rouge; Nicaragua, where Bourdain does a segment on *churequeros*—families that scavenge a garbage dump. "Seeing this," he says, "I don't feel so good doing another season where I shove food in my face."

The approach makes *No Reservations* less a food show and more an essay on history, politics, the morality of tourism, the complications of charity and the ethics of

In a restaurant in Haiti, there are pots of stew bubbling and, on every table, hand sanitizer to ward off cholera

TV. In Haiti, Bourdain notes, people shy from the camera because they've paraded their troubles for too many foreigners promising help. And now here he is, shooting a show. "Are we part of the problem?" he asks. He doesn't answer.

Travel-show hosts are surrogates, eating foods and seeking experiences on behalf of their viewers. Here, Bourdain also seeks the dissonance for them and puts it on their plate. And it belongs there: food is intimate, and it's political. Americans argue over whether Michelle Obama's drive for kids to eat vegetables is a public-health imperative or a nanny-state intrusion. A despot can take people's liberties and dignity, but people storm the barricades when the bread runs out and someone tells them to eat cake. Prices for staples are skyrocketing now, with destabilizing effects; the Egyptian protests were driven in part by rising food costs.

Bourdaine noticed that on a 2008 *No Reservations* trip to Egypt, where his handlers tried to steer his crew away from the bread shops. "They didn't want people seeing that 70% of the average Egyptian's diet was bread," he tells me over the phone on his way to a shoot in Cuba. Sometimes world issues found him; after a trip to Beirut was disrupted by war with Israel in 2006, the episode was nominated for an Emmy.

There's a line between caring and voyeurism. In his *Cook's Tour* days, Bourdain says, he was guilty of "misery tourism." But misery is as essential an ingredient of cuisine as joy. Many beloved foods (cassoulet, brisket, hopping John) came from scratch-in-the-dirt poverty—"trying to take a little and turn it into a lot," as Bourdain tells me. "What people eat tells a story: what they're cooking and why they're cooking it."

Food, in other words, is a people's history—and sometimes its unignorable present. Bourdain wraps up his tour of Haiti by visiting Sean Penn, who relocated there with relief organization J/P HRO. But, Bourdain concludes, he has "no happy horse... assurances" about Haiti's future. The trip *No Reservations* takes us on is not about easy answers or giving up. It's about seeing the world with open eyes, stepping outside your comfort zone and taking the bitter with the sweet.

Design

Circles and Swooshes What's behind the trend toward kinder, gentler logos?

By Josh Sanburn

WHEN STARBUCKS COFFEE rolls out its new logo in stores in early March, you might notice something missing from your coffee cup: the words *Starbucks Coffee*. The company says removing its angular text from the logo allows for more flexibility overall. And Vikas Mittal, a Rice University professor who studies logo redesigns and brand commitment, believes it will have an added benefit as Starbucks begins to expand in Asia.

In a paper to be published in the *Journal of Consumer Marketing*, Mittal and co-authors Michael Walsh and Karen Winterich found that when angular logos were changed to rounded ones, they were more appealing in countries like India and China, which have cultures that tend to be more interdependent and collectivist. Starbucks looks to triple the number of its stores in China by 2015 and expand into supermarkets and sell more noncoffee products at home.

Starbucks' new face is one of a host of logos that have become friendlier, more graphic and more internationally appealing. But as in the case of CBS, sometimes companies get it right the first time.

Starbucks

After 40 years, the 16th century Norse siren in the coffee chain's logo has become queen. She now appears solo, making the logo "a-cultural," according to design scholar Mittal, and potentially more appealing abroad. The logo has also reached a tipping point where it's recognizable without text, something in which most big companies aspire. (See also Nike.)



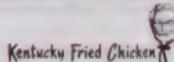
NBC

Since 1959, the peacock—originally used to represent NBC's increase in color programming—has appeared and reappeared in various forms. But the bird was dropped from the NBCUniversal logo in January, indicating that the parent company wants to be known for more than just its signature network.



KFC

Kentucky Fried Chicken became KFC in the 1990s to avoid the unhealthy connotations of the word. Fried chicken founder, Colonel Sanders, has become increasingly prominent. He's kept the string tie but has added an apron, so customers won't feel he has lost his talent for home-style cooking.



Pepsi

Pepsi's logo started out similar to Coca Cola's, but the company has adopted a philosophy of gradual change. "The best logo redesigns are by evolution not revolution," says design expert David Carter. That may be why in the current logo, you can still see the bottle cap.



AT&T

One of the biggest logo trends is a design that appears to be three-dimensional. After decades of the iconic bell, culminating in the simplified 1969 design, AT&T has moved its globe symbol alongside the lowercase (text-message-friendly) name.



Walmart

The multinational department store chain, hugely popular but often criticized for driving out mom and pop shops, adopted a softer, friendlier logo after decades of a stronger approach. The blue is lighter, the yellow sunburst suggests optimism, and the lowercase letters are less imposing than their all caps forebears.

1940 1971 1984 2011

WALMART WAL-M



Books



Must-Reads

A boxing collection, a chef's memoir and a powerful debut

Tiger, Tiger: A Memoir

By Margaux Fragozo

Farrar, Straus and Giroux; 336 pages
IT'S FASHIONABLE TO SUGGEST THAT MEMOIR writers begin by making sure the events of their lives merit examination. No one could lob this accusation at Fragozo, whose *Tiger, Tiger* details the years she spent at the mercy of a pedophile, Peter Curran, with whom she had a "relationship" from the time she was 7 until she was 22. But is it as dangerous to lyricize trauma as it is to lack it? Fragozo's Curran is less monster than pied piper, an eye-crinkling playmate who makes her world "ecstatic." His suicide leaves Fragozo "chasing the ghost of how it felt ... like the earth is scorched and the grass won't grow back." This prose, overly worked, keeps Curran at a pretty distance. His ugliness remains as unfathomable to us as it would to any child.

—LIZZIE SKURNICK

At the Fights

Edited by George Kimball and John Schulian

Library of America; 560 pages

A.J. LIEBLING ONCE WROTE THAT BOXING WAS attached to its past "like a man's arm to his shoulder." That's one thing writers share with pugilists. Since 1910, when Jack London was lured to Reno, Nev., to cover a mythic Jack Johnson bout for the New York *Herald*, only the baseball diamond has been as continuously hospitable as the boxing ring for American prose. The Library of America's *At the Fights* gathers the most stylish dispatches from the past century, with literary heavyweights (Norman Mailer, James Baldwin) sharing space with past champs like W.C. Heinz and Jimmy Cannon. For a nimble sample of prizefight prose, Don King couldn't have put together a better card. —ERIC BANKS

Blood, Bones & Butter

By Gabrielle Hamilton

Random House; 304 pages

HAMILTON'S TOUGH-MINDED memoir, hyped as the best chef book since Anthony Bourdain's *Kitchen Confidential*, delivers. Unlike Bourdain, Hamilton, the chef of New York City's Prune, doesn't provide a kitchen exposé; *BB&B* is too personal for that. From a beautifully rendered rural girlhood that ends with a catastrophic divorce to the pains of corrupt waitressing and the joys of chefhood, the book makes Hamilton as real to us as someone we've known all our lives and captures the essence of contemporary cool on the plate.

—JOSH OZERSKY

The Tiger's Wife

By Tea Obreht

Random House; 352 pages

THIS ASTOUNDING DEBUT NOVEL ABOUT THE former Yugoslavia in wartime is so rich with themes of love, legends and mortality that every novel that comes after it this year is in peril of falling short in comparison with its uncanny beauty. Obreht, 25, expertly weaves together the tales of a wayward zoo tiger blasted from his cage by German bombs in 1941, the man whose life's path was formed by the tragic beast and the man's granddaughter, a young doctor trying simultaneously to make peace with his death and amends to those who were once her countrymen. Not since Zadie Smith has a young writer arrived with such power and grace. —MARY FOLS

BEST FIRST LINE

"In my earliest memory, my grandfather is bald as a stone and he takes me to see the tigers." (*The Tiger's Wife*)

PAGE TURNER

The Information

By James Gleick

Pantheon; 544 pages

UNLESS YOU'RE A COMPUTER scientist, you've probably never heard of Claude Shannon, the Bell Labs researcher who in 1948 coined the term *bit* to refer to the smallest possible unit of information. Gleick rescues Shannon from obscurity in his entertaining, erudite, not-for-the-math-averse history *The Information*—and does lots more besides. Gleick presses rousing tales from the history of human communication (French semaphore telegraphs, African talking drums) into the service of one Very Big Idea—that in probing nature's deepest mysteries, inventors, scientists and philosophers have all been talking about the same thing: information. Gleick shows how Shannon's humble bit—the on-off switch at the center of binary computing—is now used in theories of everything from genetics to quantum physics. Physicist John Wheeler called it the "ultimate unsplittable particle." Had Gleick stuck to history, *The Information* would have been a perfectly serviceable survey of information technology, fascinating but not transformative. Instead, he does what only the best science writers can: take a subject of which most of us are only peripherally aware and put it at the center of our universe. —TIM MORRISON

Movies

Chameleon Clint. Johnny Depp voices the lizard hero in the savory CGI western *Rango*

By Richard Corliss

IN THE TOWN CALLED DIRT, THE ONLY THING with any liquid content is the tobacco spit of parched varmints. Water is so precious, it's kept in a bank vault, except for the stash hoarded by the mayor. This town needs a hero, and it gets one in the stranger who calls himself Rango.

A CGI western comedy populated by desert critters, *Rango* gives the film year a belated jump start with a passel of movie-wise fun and a knockout animation style. It ransacks, then smartly twists elements of dozens of classic pictures, from *Chinatown* to Clint Eastwood's No Name westerns, to spin the familiar tale of a tenderfoot who's mistaken for a savior sheriff by rude hombres and the lone pretty girl. Except that the dude, Rango (voiced by Johnny Depp), and the girl, Beans (Isla Fisher), are lizards, the mayor (Ned Beatty) is a turtle, the chief gunslinger (Bill Nighy) is a rattlesnake mean enough to scare Samuel L. Jackson and the fatalistic sage of this sagebrush fable is a armadillo named Roadkill (Alfred Molina) who keeps trying to cross a dangerous highway because, he croaks, "this is my destiny."

For all the euphemistic cussin' (ratings-wise, *Rango* could be called a hard PG) and cigar puffing (which earned the picture a slap from the Smoke Free Movies lobby), this is at heart a pungent showbiz parable. The chameleon who will be Rango begins the story as a bon vivant thespian whose gig is a small terrarium owned by a family on the move. When the terrarium crashes on an interstate, the traveling player is stranded. Winding up in Dirt, he relies on his improv skills to win the job of sheriff. Not that the post is much in demand: the previous sheriff's grave reads THURS. - SAT. R.I.P.

The savvy humor that the movie mines from an actor's fears and bravado can be attributed to screenwriter John Logan, a master at portraying artistic temperaments in extremis: he wrote the TV movie *RKO 281*, about Orson Welles and the making of *Citizen Kane*, plus

Martin Scorsese's *Howard Hughes* film, *The Aviator*, and Broadway's *Red*, which starred Molina as painter Mark Rothko and earned a Tony Award for Best Play.

The cast, led by the crack-voiced Depp and the Dolly Parton-channeling Fisher, is flat-out flawless. But that's not surprising: they're all gifted veterans. *Rango*, though, is the first animated feature from director Gore Verbinski (*Pirates of the Caribbean*) and the special-effects wizards at ILM. These novices built on the motion-capture technology used in *The Polar Express* and *300*, and somehow they figured out how to turn pixels into natural western landscapes; this looks like the most gorgeous *live action* movie. The scaly skin on its reptiles and the filthy hair on its rodents have a realism that's tactile, even if you wouldn't want to touch them.

And it's in glorious 2-D, so the images retain their full, sere radiance. No goggles, no gloom. And no competition for the coolest, orneriest, funniest, best-looking movie of early 2011. ■

Depp plays Rango, a thespian turned sheriff



FILM NOTES

Of Gods And Men

For some film fanciers, the big scandal of the Oscars was not Melissa Leo's F-bomb but the exclusion of the French drama *Of Gods and Men* from the short list for Best Foreign Language Film. A Cannes prize-winner and a major hit in its home country, Xavier Beauvois's tale of heroic faith is based on the 1996 kidnapping of eight Cistercian monks in war-ravaged Algeria. Led by their abbot, Christian (Lambert Wilson), and the elderly physician Luc (Michael Lonsdale), the monks risk their lives and keep ministering to their flock. In the tradition of French masterworks about the clergy (Robert Bresson's *Diary of a Country Priest*, Alain Cavalier's *Thérèse*), *Of Gods and Men* moves to a contemplative pulse; it locates humanity in the monks' faces, divinity in their actions. For believers and skeptics alike, the film is a luminous, transcendent experience. —R.C.

Nancy Gibbs



The Baby and the Bathwater

What's behind the Republican assault on Planned Parenthood?

IF WE ARE FATED TO SPEND THIS YEAR weighing the smart ways to cut spending, one useful test will be, What is this debate really about? Prudence? Principle? Or just payback?

You couldn't help wondering, if you had sat in the House gallery late into a Thursday night listening to the debate over an amendment to cut off federal funding for Planned Parenthood. For pro-life forces, the opportunity was irresistible: for the first time since abortion became legal, more Americans call themselves pro-life than pro-choice, including 29 governors (up from 21 before last fall's midterms). Activists call this the best climate in years for passing pro-life laws.

Their most ambitious target is Planned Parenthood, the country's largest abortion provider. Of its \$1.1 billion annual budget, more than a third comes from federal, state and local governments. By law those funds can't be used for abortion, but critics say if you give it any money for any purpose, you are effectively underwriting abortion. "This is not about Planned Parenthood's right to be in the abortion business," argued the amendment's sponsor, Indiana Republican Mike Pence. "Sadly, abortion on demand is legal in America. This is about who pays for it."

No, it's not, countered Democrats, who charged Republicans with pushing a far-right agenda that had nothing to do with deficits. Abortion represents roughly 3% of Planned Parenthood's services, they argued; family planning, immunizations and screening for cancer and sexually transmitted diseases account for 97%. "I am a cancer survivor who is only here because my cancer was found at Stage I," said Connecticut Democrat Rosa DeLauro. "Losing access to screening will cost lives and will kill women in this country." Wisconsin Democrat Gwen Moore recalled

getting pregnant at 18, going into labor on New Year's Eve and not having enough money to call an ambulance. Abortion opponents were every bit as fervent. Tennessee Republican Diane Black spoke of working in an emergency room when a 22-year-old woman came in hemorrhaging from an abortion at a Planned Parenthood clinic. New Jersey Republican Chris Smith described a process in which "the doctor goes in with forceps and this device



and literally hacks that baby to death."

At that point, California Democrat Jackie Speier threw out her prepared speech. Her stomach was in knots, she said. "That procedure that you just talked about was a procedure that I endured." Seventeen weeks into her pregnancy, the fetus dropped from the uterus into the cervix. "I lost the baby," she said, and the full weight of the tragedy throbbed in her voice. "For you to stand on this floor and to suggest, as you have, that somehow this is a procedure that is either welcomed or done cavalierly or done without any thought is preposterous."

But that wasn't even her main objection. "To think that we are here tonight

debating this issue when the American people are scratching their heads and wondering, 'What does this have to do with me getting a job? What does this have to do with reducing the deficit?' And the answer is, Nothing at all."

That's because the GOP spending bill does not only cut Planned Parenthood; it kills Title X, the 1970 law that provides family planning for nearly 5 million women every year at more than 4,600 health centers. The Guttmacher Institute estimates that for every dollar invested in Title X—specifically for contraceptive care—taxpayers save a little under \$4 in Medicaid costs for mother and baby just in the first year. Title X prevents about a million unintended pregnancies annually, of which about half would likely end in abortion.

Consistency is the true test of conviction; anything less is just prejudice dressed up as principle. If pro-life lawmakers kill Title X, they need to accept either the risk of increasing the abortion rate or the cost of growing numbers of children born to poor parents. Their plan also cuts money for prenatal care and slices \$750 million for nutrition for mothers and infants. If women can't get screenings and preventive care at Planned Parenthood, they could go to community health clinics—except the GOP plan cuts a billion dollars from those as well.

Maybe abortion opponents should be applauded for standing on principle at great potential cost. But why do it under the guise of cost cutting? Independents who have trended toward the pro-life position may draw the line at efforts that put women's lives at risk. Deficit hawks may be annoyed by measures that are likely to cost more money in the end. And voters who want to see government get something done may wonder about the wisdom of spending days and nights debating amendments that will die in the Senate or on the President's desk.

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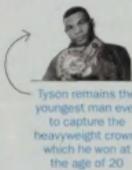
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10 Questions



Tyson remains the youngest man ever to capture the heavyweight crown, which he won at the age of 20.

Former heavyweight champion **Mike Tyson** discusses fear, love and his new Animal Planet series, *Taking On Tyson*

The show is about your love for pigeons. What inspired your interest in them?

*Charlotte Stine,
LONG LAKE, ILL.*

One day, as a kid, these guys were bullying me and had me carry milk crates to an abandoned building. We went on the roof, and I saw this box with pigeons in it. I never saw the bird before, and I was like, Wow, this is what I want to do.

Is it true that the first fight you were in was because of a pigeon?

Somebody tried to steal my pigeon and broke its neck and hit me in the face with the dead bird. I fought him—just flailing away. I hit him more than he hit me, so I guess I won. That's how it goes.

What makes a good fighter?

*Ange Cicin-Sain,
VENICE, CALIF.*

A good fighter is not necessarily the greatest fighter that ever lived. A good fighter has to be diligent and committed—doing what you hate to do but doing it like you like love it, always testing yourself and forcing yourself to the limit.

How do you feel after knocking out an opponent?

*Robert Thijssen,
ORANJESTAD, ARUBA*

Job accomplished. This is what you've practiced. When I was a kid and I knocked a guy out, I would jump up and be excited. My mentor Cus D'Amato would say, Why are

you excited? You anticipated this. Anything different would be a failure.

Is it more important to be respected or feared?

If we lived in a utopian world, it would be better to be

respected. But since we don't, it's better to be feared. I like being both, but [if I had to choose], I would like to be respected. Respect is more powerful than love.

Your career seems back on track after much turmoil. Who is your trusted adviser?

*Sharon Melnick,
WELLINGTON, FLA.*

My nucleus is just my wife and me. We work out every-

thing together as a family. Before, it was just about Mike.

If you had made better choices, do you think you would've been the greatest fighter ever?

Michael Lawrence, LAS VEGAS
I don't know, but I should have made better decisions. We can't dwell on the past.

What was the hardest period of your life?

*Tomas Deron,
VILVOORDE, BELGIUM*

A few years ago, when I didn't care anymore and I was gambling with life. I was out there doing whatever I wanted with whoever I wanted. I don't know who that guy is anymore.

How has converting to Islam helped?

*Hasan Kilic,
ANKARA*

Being a Muslim is who I am as a person. But let's say there wasn't Islam. Just that spirit, just for me to have my everyday [routines] helps. I have to be constantly on the move, or else the machine is going to break. I'm a realist. I deal with the world coming at me. It comes at me fast—faster sometimes than I can say my prayers. God will have to forgive me if I forgot a few things. I hope he does, at least.

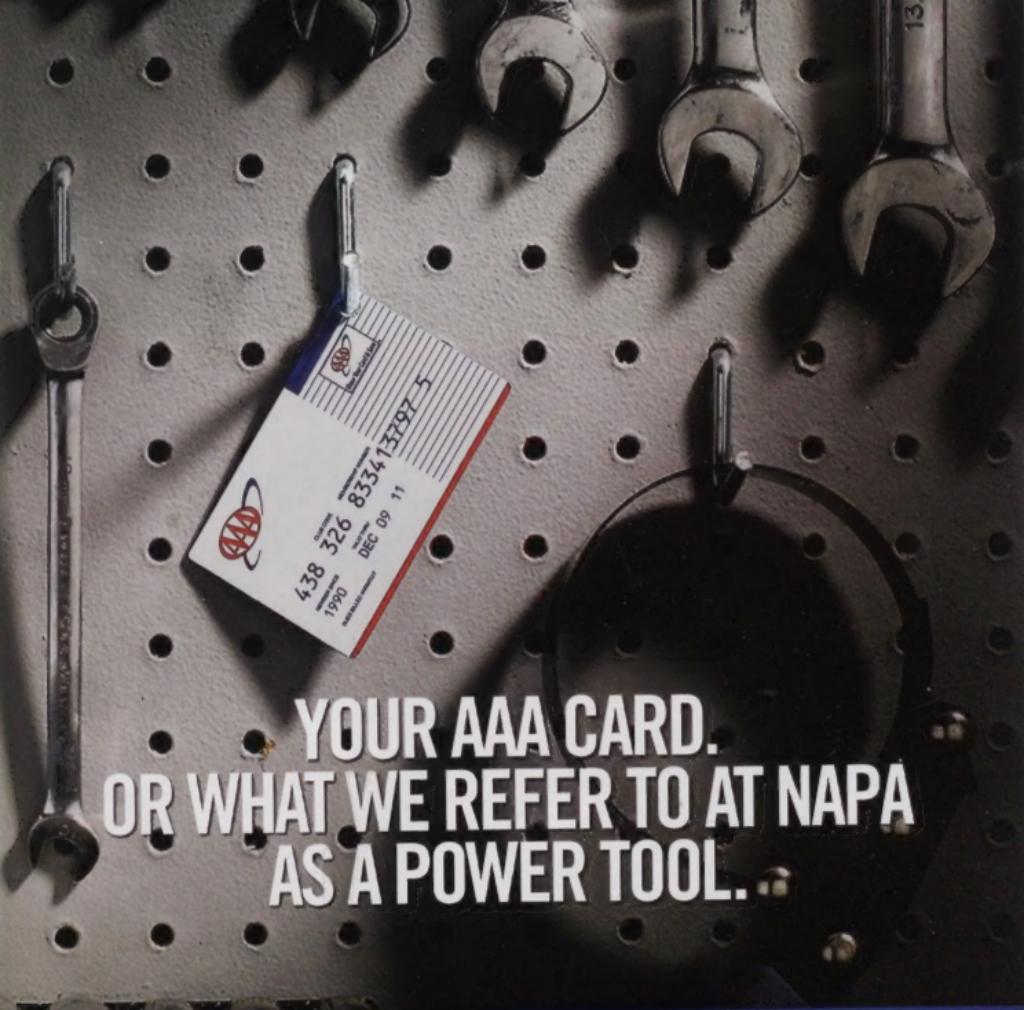
What will people remember about you in 50 years?

Michael Madsen, CHICAGO
Fifty years? That I'm the most destructive, ferocious fighting machine God ever created.



VIDEO AT TIME.COM

To watch videos of Mike Tyson and other newsmakers, go to time.com/10questions



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